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LANKEM CEYLON PLC 98, SRI SANGARAJA MAWATHA,
P.O. BOX 919, COLOMBO 10, SRI LANKA.

Telephone : 011 - 5566000, 011 - 7766000 Fax : 011 - 2334473
Company No. PQ 128

1st March 2023

Our Ref: SEC/LC/ 97

Mr. R. Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4, West Tower
World Trade Centre
Echelon Square
COLOMBO 1.

Dear Sir,

RELATED PARTY TRANSACTIONS

In terms of Section 9 of the Listing Rules of the Colombo Stock Exchange we write to inform of the following proposed Related Party Transaction between Lankem Ceylon PLC (LCPLC) and its subsidiary Colombo Fort Hotels Ltd (CFHL).

- | | |
|--|---|
| (i) Proposed date of the transaction and applicable period - | 15 th March 2023 (Subject to shareholder approval being obtained at the Extraordinary General Meeting of CFHL to be held on 15 th March 2023) |
| | Applicable period – 2022/2023 |
| (ii) Name of relevant Related Party | - Colombo Fort Hotels Ltd |
| (iii) Relationship between the Entity and the Related Party | – Lankem Ceylon PLC- Parent
Colombo Fort Hotels Ltd-
Subsidiary. |

(iv) Details of the transaction

- Issue of 88,993,873 Ordinary Shares at Rs.9.40 per share by CFHL by way of a Private Placement in settlement of the outstanding long term loan to the extent of Rs.836,542,406.20 payable by CFHL to LCPLC, subject to shareholder approval as mentioned in item (i) above.

(v) Rationale for entering into the transaction

- Acceptance of shares to facilitate the settlement of the long-term outstanding loan receivable from Colombo Fort Hotels Ltd.

(vi) The Related Party Transactions Review Committee of the Entity is of the view that the transaction is on normal commercial terms and is not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transactions Review Committee has reviewed the business valuation of Colombo Fort Hotels Ltd obtained from an independent expert prior to forming its view on the transaction.

(vii) The aggregate value of the Related Party Transactions for the financial period 2022/2023 with Colombo Fort Hotels Ltd. (Inclusive of the aforesaid transaction)

- Rs.836.54 Million

(viii) Aggregate value of all Related Party Transactions for the same financial period 2022/2023 (Inclusive of the aforesaid transaction)

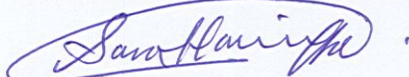
- Rs. 2,428.29 Million

Yours faithfully,

By Order of the Board

LANKEM CEYLON PLC

CORPORATE MANAGERS & SECRETARIES (PVT) LTD



Secretaries

Sh/-