John Keells Holdings PLC

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Renuke Wijayawardhana
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Echelon Square
Colombo 1

Dear Sir,

John Keells Holdings PLC (JKH; The Company)
Announcement

The Board of Directors of John Keells Holdings PLC ("JKH"; the "Company") resolved to raise funds through a private placement for a maximum cumulative amount of the Sri Lankan Rupee (LKR) equivalent of USD 80 million to Asian Development Bank ("ADB") through the issuance of up to a maximum of 122,500,000 new ordinary shares of the Company in two phases, collectively the "Proposed Private Placement", which will be a maximum post-issue dilution of 8.5 per cent.

The Proposed Private Placement would be for an upfront issue of ordinary shares ("Initial Placement Shares") for an initial issue size of LKR equivalent of USD 50 million ("Phase 1"). At the time of issue of the Initial Placement Shares, the Company will also issue to ADB non-tradable/non-transferable options ("Options") which will entitle ADB, at its option and discretion, to subscribe for additional new ordinary shares of the Company ("Option Shares") within a period of 12 months from the date of subscription for the Initial Placement Shares, for an investment amount of up to the LKR equivalent of USD 30 million ("Phase 2").

The issue of shares by way of the Proposed Private Placement is subject to the Securities Exchange Commission and the Colombo Stock Exchange ("CSE") approving in principle the issue and listing of such shares, the Company obtaining shareholder approval at an Extraordinary General Meeting, approval of ADB's Board of Directors and conformance with regulatory requirements, as applicable to the parties.

Salient features of the Proposed Private Placement are provided below.

Investor:	Asian Development Bank
Phase 1:	
▪ Issue Size	LKR equivalent of USD 50 million
▪ Issue Price	LKR 154.50 per share (the closing market price as at 19 November 2021). The Issue Price is approximately a 10 per cent premium compared to the 90-day volume weighted average price of LKR 141.00 per share.
▪ Initial Placement Shares	Number of shares arrived at by dividing the LKR equivalent of USD 50 million by the Issue Price of LKR 154.50 per share. The current stated capital and number of ordinary shares in circulation of the Company is Rs. 63,121,732,310.83 and 1,319,776,451 ordinary shares, respectively.

The number of shares to be issued would depend on the exchange rate as at the date of subscription. For example, if the exchange rate of LKR 202.192/USD as of the date of this announcement remains at the time of subscription, this will amount to 65,434,304 Initial Placement Shares resulting in a post-issue dilution of 4.7% in Phase 1.

- Options — The maximum number of Options to be issued will be in the ratio of 3 Options for every 5 Initial Placement Shares, subject to being within the threshold of the Total Placement Shares as stated below.

  For example, if the Initial Placement Shares is 65,434,304, ADB will be entitled to 39,260,583 Options, which if exercised in full will result in a further post-issue dilution of 2.8 per cent, taking the total post-issue dilution to 7.3 per cent.

Phase 2 (in the event Options are exercised):

- Issue Size — LKR equivalent of up to USD 30 million (subject to the maximum number of shares to be issued to ADB as indicated below)
- Option Exercise Price — Volume weighted average price of the Company's ordinary shares as quoted on the CSE during the 90 calendar days ending immediately prior to the option exercise date. The Option Exercise Price is subject to a minimum of LKR 165.00 per share and maximum of LKR 200.00 per share.
- Option Exercise Period — The Options will be exercisable during a 3 month window post the completion of 9 months from the date of subscription of the Initial Placement Shares. This entitlement will expire 12 months from the date of subscription of the Initial Placement Shares.
- Option Shares — Each Option will be convertible to one Option Share during the Exercise Period, subject to the Total Placement Shares being within the threshold, as stated below, which will not exceed a post-issue dilution cap of 8.5 per cent. The number of Option Shares will also be capped at a total ADB investment not exceeding USD 30 million which would be converted to LKR at the prevailing exchange rate at the time the Options are exercised.

Proposed Private Placement with both phases (in the event Options are fully exercised)

- Total Placement Shares: — Up to a maximum of 122,500,000 new fully paid ordinary shares to be issued by the Company under Phase 1 and Phase 2, collectively.

  Both Initial Placement Shares and Option Shares will rank pari passu with the existing ordinary shares of the Company.
- Maximum Post Issue Dilution: — Up to a maximum dilution of 8.5 per cent post issue of ordinary shares under Phase 1 and Phase 2, collectively.

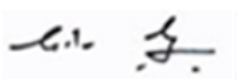
The flexibility to issue shares up to a maximum of 122,500,000 shares is due to the Issue Size being dependent on the exchange rate prevailing at the time of subscription under both phases, and the Option Exercise Price being variable (within the range of LKR 165.00 and LKR 200.00) at the time of exercise under Phase 2.

The proceeds from this transaction will be utilised for the purpose of corporate level balance sheet support towards funding its investments in the "Keells" Supermarket business which includes the long-term outlet expansion plan including construction and equipment, start-up expenses and the construction and equipping of the supporting logistics infrastructure to facilitate this.

Further, the Proposed Private Placement will afford the Group the flexibility and agility to fund its investments in an optimal manner, whilst providing additional support to the Group's liquidity position, particularly in terms of providing further leeway to manage the foreign currency commitments of the Group's landmark projects such as the 'Cinnamon Life' integrated resort and the West Container Terminal in the Port of Colombo. In addition, given ADB's investment mandate pursuant to which private sector projects must have clear development impacts and positive externalities, particularly in environmental, social and governance ("ESG") aspects, JKH will leverage on ADB's technical expertise and advisory to enhance and further strengthen the Group's existing ESG processes and frameworks to reach best in class benchmarks. The Group believes that partnering with an internationally reputed financial institution such as the ADB, particularly at this juncture of time, is a vote of confidence for JKH and the country.

Yours faithfully,

John Keells Holdings PLC



Gihan Cooray
Deputy Chairman/Group Finance Director