

10th June 2020

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange,
04-01, West Block, World Trade Centre,
Echelon Square,
Colombo 01.

Dear Sir

DISCLOSURE ON THE IMPACT OF COVID.19 ON LISTED COMPANIES

LANKEM DEVELOPMENTS PLC (LDPLC)

We refer to your Circular Nos.06-04-2020 of 20th April 2020 and 04-05-2020 of 9th May 2020 and wish to make the following disclosures in relation to the Group's position with regd to the impact of COVID 19.

Overall Impact

Lankem Development PLC is the holding company of two subsidiaries, Agarapatana Plantations Ltd and Waverly Power (Pvt) Ltd. The Government has identified the plantation sector and the power generation as essential services and encouraged the stakeholders to continue their operations during the lockdown period. Thus, both subsidiaries continued its operations during the curfew days subject to the restrictions imposed by the authorities.

Financing & Liquidity

The Company has no other operation other than the investment made as mentioned above, thus there is no significant impact on the finance and liquidity position due to COVID 19 outbreak.

Impact on Assets - Investments

There are no significant changes in judgement in determining the fair value of the investments due to the impact of the COVID-19. Nevertheless, the impairment of the investments will be tested as per the SLFRS, when the end of year financials are completed.

Impact on Internal Operations & Business Continuity

Since Plantations and Hydro Power Plant are mainly based in districts which are not severely affected by the COVID 19 and also due to the Government policies on the agricultural industry as an essential service, it allowed the businesses to get back to normal operations subject to strict health care & safety measures. However, the operations at the Head Office level were disrupted due to the restrictions imposed by the authorities.

Company's Response to the impact of COVID 19 pandemics

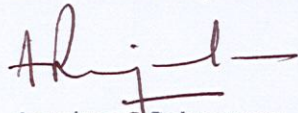
There is no significant impact as such the subsidiaries were managing the resources effectively to continue the operations in line with the guidelines imposed by the authorities.

Company's expectation of the future impact of COVID 19 on the Company's future operations and the financial condition

The Company expects its subsidiaries to continue as is, thus there may not be any significant changes in the financial condition of the Company.

Yours Faithfully,

Lankem Development PLC

A handwritten signature in dark ink, appearing to read 'Anushman', followed by a horizontal line.

Anushman Rajaratnam
Director