

Ceylon Tobacco Company PLC
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21st November 2023

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01,
West Block,
World Trade Centre
Echelon Square,
Colombo 1.

Dear Sir,

CLARIFICATION ON PENDING LEGAL MATTER

We address this communication to clarify the following matters relating to a pending legal matter involving Ceylon Tobacco Company PLC (CTC), in response to the queries raised by CSE, in connection with certain products of CTC.

In January 2023, CTC instituted a writ application in the Court of Appeal against National Authority on Tobacco and Alcohol, (NATA) and some authorised officers thereof, who instigated action in the latter part of 2022, claiming that the capsulated products of CTC are prohibited under the Prohibited Tobacco Products Regulations of 2016.

In that writ application, after hearing the submissions of counsel for CTC, the Court has decided that there is a prima facie case established by CTC, which warrants the Court to proceed to hear and determine the matter after a fuller hearing. Accordingly, the Court has made a judicial order, calling upon the Respondents to show cause as to why the relief sought by CTC should not be granted by the Court and hence, the said court case, is now pending final determination, before the Court of Appeal. The Respondents are required to formally file their statement of objections before the Court and the Court, after CTC files

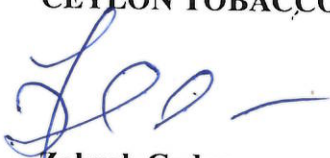


counter pleadings thereafter, will proceed to hear the case and proceed to deliver a final judgement in due course.

Pending the final determination of the said writ application, CTC had also sought an interim order from the Court of Appeal to prevent further raids. On 17th November 2023, the Court of appeal issued an order declaring that the Court entertains the case filed by CTC to render a final judgement, but is not inclined to make an interim order as sought by CTC. CTC has not received a copy of this order yet, but pending the issuance of the same, CTC is in the process of preparations to filing an appeal to the Supreme Court in respect of interim relief. CTC has been exercising forbearance pending the lodging of the appeal, and it is possible that any misinformation circulating on social media regarding capsulated products relates to this.

Yours faithfully,

CEYLON TOBACCO COMPANY PLC



Zahrah Cader
Company Secretary