

NEXIA CORPORATE CONSULTANTS (PVT) LTD.

(PV 106)

Corporate Secretaries & Management Consultants

19th December 2023

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 04-01, West Tower
World Trade Centre
Colombo 1

Dear Sir,

DANKOTUWA PORCELAIN PLC – **CORPORATE DISCLOSURE – RELATED PARTY TRANSACTION**

In terms of Section 9 of the Listing Rules of the Colombo Stock Exchange we write to inform of the following Related Party Transaction between Dankotuwa Porcelain PLC and its subsidiary Royal Fernwood Porcelain Limited:

1. Date of transactions – 28th November 2023 to date.
2. Name of the relevant Related Party – Royal Fernwood Porcelain Ltd.
3. Relationship between the Entity and the Related Party – Royal Fernwood Porcelain Limited is a Subsidiary of Dankotuwa Porcelain PLC.
4. Details of the transactions – Provided Corporate Guarantees to Commercial Bank PLC to the value of LKR 240,000,000/- & USD 1,000,000 and to DFCC Bank PLC to the value of LKR 30,000,000/- & USD 1,200,000 on behalf of Royal Fernwood Porcelain Limited to obtain banking facilities.
5. Rationale for entering into the transactions – In order to facilitate the banking facilities of Royal Fernwood Porcelain Limited, Dankotuwa Porcelain PLC was required to provide a Corporate Guarantee to the value of LKR 270,000,000/- and USD 2,200,000 as security.

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Directors : Mrs. C. R. Weragala ACIS (U.K), Mrs. S. K. Piyasena B.Sc

6. The Related Party Transactions Review Committee of Dankotuwa Porcelain PLC is of the view that the above transactions are on normal commercial terms and are not prejudicial to the interests of Dankotuwa Porcelain PLC and its minority shareholders and the Related Party Transactions Review Committee have not obtained an opinion from an independent expert prior to forming its view on the said transactions.
7. The aggregate value of the Related Party Transactions for the financial year 2023/2024 with Royal Fernwood Porcelain Limited is LKR 362,000,000/- and USD 2,200,000 (inclusive of the aforesaid transaction) and the aggregate value of all non-recurrent Related Party Transactions for the same financial year is LKR 362,000,000 and USD 2,200,000 (inclusive of the aforesaid transaction).

The delay in making the announcement is due to the delay in completing the formalities.

Yours faithfully,

NEXIA CORPORATE CONSULTANTS (PRIVATE) LIMITED

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PV 106



SECRETARIES TO
DANKOTUWA PORCELAIN PLC

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