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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

16th March 2021

Our Ref: SEC/LC/473

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 Related Party Transaction between Lankem Ceylon PLC (LCPLC) and its Subsidiary J.F. Packaging Limited (JFPL):

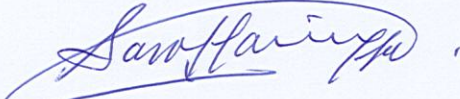
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| (i) Date of the transaction and applicable period | - 12 th March 2021– 2020/2021. |
| (ii) Name of relevant Related Party | - J.F. Packaging Limited. |
| (iii) Relationship between the Entity and the Related Party - Parent and Subsidiary. | |
| (iv) Details of the transactions | - Obtaining Corporate Guarantees of Rs. 157.59Mn and Rs. 14.5Mn from Subsidiary J.F. Packaging Limited. |
| (v) Rationale for entering into the transactions - | To enable the rescheduling of existing finance facilities to a term loan of Rs. 157.59Mn at a lower interest rate and to enable the rescheduling of the outstanding interest amounting to Rs. 14.5Mn to an interest free term loan facility, upon the granting of securities in the form of Corporate Guarantees. |

(vi) The Related Party Transactions Review Committee of the Entity is of the view that the transactions are 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 not obtained an opinion from an independent expert prior to forming its view on the transaction.

(vii) The aggregate value of the Related Party Transactions – Rs.208.64Mn
for the financial year 2020/2021 with J.F. Packaging Limited.
(Inclusive of the aforesaid transaction)

(viii) Aggregate value of all Related Party Transactions - Rs. 823.23Mn
for the same financial year 2020/2021
(Inclusive of the aforesaid transaction)

Yours faithfully,
By Order of the Board
LANKEM CEYLON PLC
CORPORATE MANAGERS & SECRETARIES (PVT) LTD


Secretaries

Sh/-