



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

10th September 2021.

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 Transactions entered into between Lankem Ceylon PLC (LCPLC) and its subsidiary company SunAgro LifeScience Limited.

- | | |
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| (i) Date of the transaction and applicable period | - (i) Date - 6 th September 2021
Period - 2021/2022
(ii) Date - 8 th September 2021
Period - 2021/2022 |
| (ii) Name of relevant Related Party | - SunAgro LifeScience Ltd |
| (iii) Relationship between the Entity and the Related Party | - Parent Company and wholly owned
Subsidiary |
| (iv) Details of the transaction | - (i) Issuance of Corporate Guarantee for
Rs.375Mn by Lankem Ceylon PLC
(LCPLC) on behalf of wholly owned
Subsidiary SunAgro LifeScience Ltd
(SLAS), as security for a term loan
facility of Rs. 375Mn obtained from
Hatton National Bank PLC by the said
SALS.

- (ii) Obtaining of an inter-company interest
bearing loan Facility of Rs. 375Mn by
Lankem Ceylon PLC from its wholly
owned subsidiary, SunAgro LifeScience
Ltd. |

- (v) Rationale for entering into the transaction
- (i) Granting of security on behalf of SunAgro LifeScience Ltd in order for the subsidiary to obtain a term loan facility at a lower interest rate.
 - (ii) Ability to settle outstanding term loan facility obtained from Hatton National Bank PLC amounting to Rs. 375Mn.
- (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 transactions.
- (vii) The aggregate value of the Related Party Transactions for the financial period 2021/2022 with, SunAgro LifeScience Limited (excluding the aforesaid transactions) - Rs.379.77Mn
- (viii) Aggregate value of all Related Party Transactions for the same financial period 2021/2022 (excluding the aforesaid transactions) - Rs. 1,211.89Mn

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


Secretaries

ts/-