



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

3rd October, 2022.

Our Ref: SEC/LC/819

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 related company Agarapatana Plantations Ltd.

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| (i) Date of the transaction and applicable period | - 30 th September 2022– 2022/2023 |
| (ii) Name of relevant Related Party | - Agarapatana Plantations Ltd. |
| (iii) Relationship between the Entity and the Related Party – Related Companies | |
| (iv) Details of the transaction | - Disposal of 3,400,000 shares (43.59%) in Waverly Power (Private) Ltd. to related company Agarapatana Plantations Ltd for a consideration of Rs. 189,179,438/-. |
| (v) Rationale for entering into the transaction | - In accordance with the Company's strategic decision to focus on its core and related areas of business, in the Agrochemicals, Industrial Chemicals and Paints sectors, the decision to divest its holding in the hydro power segment. |

(vi) The Related Party Transactions Review Committee of the Entity is of the view that the transaction is 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 reviewed the business valuation of Waverly Power (Pvt) Limited obtained from an independent expert prior to forming its view on the transaction.

(vii) The aggregate value of the Related Party Transactions — Rs.197.3Mn
for the financial period 2022/2023 with Agarapatana Plantations Ltd.
(Inclusive of the aforesaid transaction)

(viii) Aggregate value of all Related Party Transactions — Rs. 1,145.0Mn
for the same financial period 2022/2023
(Inclusive of the aforesaid transaction)

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


Secretaries