

3rd October, 2022

Our Ref: SEC/LD/818

Mr. R. Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4, West Tower
World Trade Centre
Echelon Square
COLOMBO 1.

Dear Sir,

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 Lankem Developments PLC (LDPLC) and its subsidiary Agarapatana Plantations Ltd (APL) .

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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 (APL) |
| (iii) Relationship between the Entity and the Related Party | - Parent Company and Subsidiary |
| (iv) Details of the transaction | - Disposal of 4,400,000 shares (56.41%) in Waverly Power (Private) Ltd. to subsidiary Agarapatana Plantations Ltd. for a consideration of Rs. 244,820,450/-. |
| (v) Rationale for entering into the transaction | - To facilitate the restructuring of the Company's Balance sheet in order to improve the net current liability position of the Company, reduce finance cost by the settlement of related party borrowings through proceeds received and also to facilitate the Company's subsidiary APL to pursue its strategy of exploiting all possible renewable energy resources within its plantations by investing in Waverly Power (Private) Ltd. (WPL): |

(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. 246.4Mn
for the financial period 2022/2023 with – Agarapatana Plantations Limited
(inclusive of the aforesaid transaction)

(viii) Aggregate value of all Related Party Transactions - Rs. 313.9Mn
for the same financial period
(inclusive of the aforesaid transaction)

Yours faithfully,

By Order of the Board

LANKEM DEVELOPMENTS PLC

CORPORATE MANAGERS & SECRETARIES (PVT) LTD



Secretaries