

THE COLOMBO FORT LAND AND BUILDING PLC

(MANAGERS & SECRETARIES : CORPORATE MANAGERS & SECRETARIES (PVT) LIMITED)

8-5/2, LEYDEN BASTIAN ROAD, YORK ARCADE BUILDING, COLOMBO - 01.

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24th February 2023.

Our Ref: SEC/CFLB/90

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 proposed Related Party Transaction between The Colombo Fort Land & Building PLC (CFLB) and its subsidiary Colombo Fort Hotels Ltd (CFHL) :

- | | |
|---|---|
| (i) Proposed date of the transaction and applicable period | - 15 th March 2023 (Subject to shareholder approval being obtained at the Extraordinary General Meeting of CFHL to be held on 15 th March 2023)

Applicable period – 2022/2023 |
| (ii) Name of relevant Related Parties | - Colombo Fort Hotels Ltd (CFHL) |
| (iii) Relationship between the Entity and the Related Parties | - The Colombo Fort Land & Building PLC - Ultimate Parent
Colombo Fort Hotels Ltd –
Subsidiary Company |
| (iv) Details of the transaction | - Issue of 38,163,569 Ordinary Shares at Rs.9.40 per share by CFHL by way of a Private Placement in settlement of debt amounting to Rs.358,737,548.60 owed by CFHL to CFLB, subject to shareholder approval as mentioned in item (i) above. |

(v) Rationale for entering into the transaction

- Acceptance of shares in CFHL in settlement of debt.

(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 Colombo Fort Hotels Ltd obtained from an Independent Expert prior to forming its view on the transaction.

(vii) The aggregate value of the Related Party Transactions for the financial period 2022/2023 with CFHL (Inclusive of the aforesaid transaction)

Rs. 471.73 Mn.

(viii) Aggregate value of all Related Party Transactions for the financial period 2022/2023 (Inclusive of the aforesaid transaction)

Rs. 607.16 Mn.

Yours faithfully,

By Order of the Board

THE COLOMBO FORT LAND & BUILDING PLC

CORPORATE MANAGERS & SECRETARIES (PVT) LTD



Secretaries

sh/aa