

LANKEM CEYLON PLC 212A 3/1, NAWALA ROAD,
P.O. BOX 919, RAJAGIRIYA, SRI LANKA.

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Company No. PQ 128

14th May 2019

Our Ref: SEC/LC/845

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 between Lankem Ceylon PLC (LCPLC) and Related Company E.B. Creasy & Co. PLC (EBCPLC):

- (i) Date of the transactions and applicable periods
- Transaction 1 – Corporate Guarantee Issued on 29th April 2019 (to be effective from 13th March 2019).
 - 2018/2019
 - Transaction 2 - Corporate Guarantee Issued on 29th April 2019
 - 2019/2020
- (ii) Name of relevant Related Party - E.B. Creasy & Co. PLC
- (iii) Relationship between the Entity and the Related Party – Company and Related Company
- (iv) Details of the transactions
- Transaction 1
Obtaining a Corporate Guarantee of Rs.250 Million from Related Company, E.B. Creasy & Co. PLC
 - Transaction 2
Obtaining a Corporate Guarantee of Rs.200 Million from Related Company, E.B. Creasy & Co. PLC
- (v) Rationale for entering into the transactions - To enable rescheduling of banking facilities and for obtaining an additional facility upon granting of security 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 transactions.

(vii) The aggregate value of the Related Party Transactions for the respective financial periods with, E.B. Creasy & Co. PLC (inclusive of the aforesaid transactions)

- Transaction 1 (financial period 2018/2019) - Rs. 418,515,098.97
- Transaction 2 (financial period 2019/2020) - Rs. 200,320,718.21

(viii) Aggregate value of all Related Party Transactions for the respective financial periods (inclusive of the aforesaid transactions)

- Transaction 1 (financial period 2018/2019) - Rs. 2,062,620,468.46
- Transaction 2 (financial period 2019/2020) - Rs. 887,142,638.55

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



Secretaries

ts/aa