



John Keells Holdings PLC

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21 June 2022

Renuke Wijayawardhana
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Echelon Square
Colombo 1

Dear Sir,

John Keells Holdings PLC (JKH; the Company) Announcement

The Board of Directors of John Keells Holdings PLC (“JKH”; the “Company”) resolved to raise the equivalent of USD 75 million of foreign direct investment by way of a private placement of Sri Lankan Rupee (LKR) denominated unlisted Convertible Debentures (the transaction herein referred to as the “Proposed Private Placement”) to certain controlled affiliates of Fairfax Financial Holdings Limited, headquartered in Canada. As per the LKR/USD exchange rate quoted by the Central Bank of Sri Lanka on 20 June 2022, the transaction amounts to a value of LKR 27.06 billion. The Convertible Debentures will accrue interest at a rate of three per cent per annum.

The Proposed Private Placement is subject to the Colombo Stock Exchange (“CSE”) approving in-principle the issue of new ordinary shares of the Company arising from the conversion of the Debentures, which will be listed on the CSE, the Company obtaining shareholder approval via a Special Resolution at an Extraordinary General Meeting, and conformance with regulatory and other requirements, as applicable to the parties. The Securities and Exchange Commission of Sri Lanka (SEC) has granted approval for the Company to proceed with the Proposed Private Placement, where the conversion of the Debentures to newly listed ordinary shares of the Company can take place within 18-36 months from the date of issue of the Instrument by the Company to the Investor.

Salient features of the Proposed Private Placement are provided below.

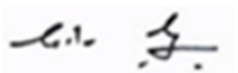
Investor(s):	Certain controlled affiliates of Fairfax Financial Holdings Limited, headquartered in Canada.
Instrument:	Sri Lankan Rupee (“LKR”) denominated unlisted Convertible Debentures with the option for conversion into newly listed ordinary shares of the Company. The instrument is unrated and issued to a Qualified Investor.
Issue Size:	LKR 27,056,250,000.00 This is effectively USD 75 million, based on the prevailing LKR/USD exchange rate of Rs.360.75. The exchange rate is based on the mid-rate as quoted by the Central Bank of Sri Lanka on 20 June 2022.
Issue Price:	LKR 130.00 per Debenture.

Coupon:	The Instrument will accrue interest at a rate of three (3) per cent per annum. The Interest is payable in LKR quarterly, in arrears.
No. of Debentures issued:	208,125,000 Debentures (Issue Size divided by the Issue Price).
Conversion Ratio:	Each Debenture can be converted to One newly listed ordinary share of the Company (ratio of 1:1). This amounts to a maximum of 208,125,000 newly listed ordinary shares of the Company if all Debentures are converted.
Use of Proceeds:	The proceeds from the issue will be used to support the Company's investment and financing obligations, particularly in terms of managing the foreign currency linked funding requirements in investments such the West Container Terminal in the Port of Colombo.
Maturity Date:	Three (3) years from the date on which the Instrument is issued by the Company to the Investor.
Conversion Period:	The Conversion Period shall be that period beginning eighteen (18) months after the date of issue and ending on the Maturity Date.
Redemption on Maturity:	The Company is required to redeem all Debentures outstanding (any Debentures not converted by the Investor) by paying in LKR on the Maturity Date. Each Debenture shall be redeemed at its Issue Price.
Post Conversion Dilution:	13.06 per cent. The maximum dilution is based on the assumption that all Debentures will be converted into newly listed ordinary shares of the Company, the number of shares outstanding of the Company as at 20 June 2022 is 1,384,916,632 ordinary shares and does not include any share options outstanding. The current stated capital of the Company is Rs.73,094,631,394.18.

The recent steep depreciation of the LKR together with the significant increase in LKR interest rates has resulted in an increase of the funding commitments of the Company. The Proposed Private Placement will enable the Group to support this investment pipeline and match its foreign currency linked project costs whilst reducing the need to fund some of its requirements through the local banking sector given the stresses on capital and interest rates. The Company believes that raising these funds will strengthen its financial position at a time when the country is faced with significant uncertainty and volatility. Furthermore, the inflow of foreign exchange through this transaction will augment Sri Lanka's foreign currency liquidity position and boost investor confidence in the country, particularly given the profile of the Investor.

Yours faithfully,

John Keells Holdings PLC



Gihan Cooray
Deputy Chairman/Group Finance Director