

AGARAPATANA PLANTATIONS PLC

Company Reg. No. PQ 00287376

53 1/1, Sir Baron Jayatillake Mawatha, Colombo 1, Sri Lanka.

9th September 2026

Our Ref: SEC/APL/112

Ms. Nilupa Perera
Chief Regulatory Officer,
Colombo Stock Exchange,
04-01 West Block,
World Trade Centre,
Colombo 1.

Dear Madam,

RE: ANNOUNCEMENT – UTILIZATION OF THE FUNDS RAISED UNDER THE INITIAL PUBLIC OFFERING OF AGARAPATANA PLANTATIONS PLC (THE “COMPANY”)

Reference is made to the two (2) objectives for which the proceeds of the Initial Public Offering (“IPO”) of the Company were to be used, as set out in Section 1.2 of the Prospectus (reproduced below).

#	Description	Financing Requirement (LKR)	Indicative Timelines
1	Purchase of modern equipment to develop the Company’s factories to “State of the Art – Processing Centres” – Objective 1	672,630,999	FY 2023/24 – FY 2024/25
2	Settlement of high-cost term loans – Objective 2	75,000,000	FY 2023/24

The Company has already completed its utilization of the funds allocated for Objective 2 for the intended purposes.

From and out of the monies allocated for Objective 1, the Company has only utilized a sum of Sri Lankan Rupees Twenty Nine Million Four Hundred and Thirty Nine Thousand Seven Hundred and Fifty Only (LKR 29,439,750) towards Objective 1 within the timeline stipulated in the Prospectus which lapsed on 31st March, 2025.

The balance amount remaining to be utilized for Objective 1 is Sri Lankan Rupees Six Hundred and Forty Three Million One Hundred and Ninety One Thousand Two Hundred and Forty Nine (LKR 643,191,249/-), which utilization has been deferred with a view to evaluating the manner in which such funds may be optimally utilized taking into cognizance the certain strategic developments relevant in the context of the business of the Company, such as the need to counter labour shortages, emphasis on mechanisation, due to the unanticipated high rate of migration experienced by the Industry. need for additional vital machines, market demand for Orthodox Leafy Teas, and renewable energy opportunities due to the higher guaranteed return on such projects.

Having evaluated the manner in which the remaining funds allocated for Objective 1 may be optimally utilized, the Board of Directors have decided, subject to obtaining the approval of the shareholders therefor by special resolution, to utilize the remaining balance of the IPO proceeds allocated for Objective 1 amounting to Sri Lankan Rupees Six Hundred and Forty Three Million One Hundred and Ninety One Thousand Two Hundred and Forty Nine (LKR 643,191,249/-), in the manner set out herein

Approval of the shareholders will also be sought for an extension of time until 30th September, 2028 to complete this objective as most of these machines have to be imported from overseas. Accordingly, selecting the suppliers, importing them to the country & installing them in the factories would take time.

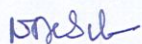
Further, these machines have to be installed in the factories without disrupting the ongoing operations of the Company.

Item	Amount allocated as per the prospectus (LKR)	Amount utilized up to now (LKR)	Unutilised Amount As per Prospectus (LKR)	Revised Allocation (LKR)	Difference (LKR)
Driers and Heaters	399,630,999	-	399,630,999	297,718,000	-101,912,999
Rollers/Automation/Conveyorization	66,000,000	-	66,000,000	145,000,000	79,000,000
Colour Sorters	27,000,000	-	27,000,000	65,000,000	38,000,000
Generator	56,000,000	29,439,750	26,560,250	20,000,000	-6,560,250
Batch Weighers	36,000,000	-	36,000,000	34,000,000	-2,000,000
De-stoners	32,000,000	-	32,000,000	-	-32,000,000
Energy Savings Fan Units	16,000,000	-	16,000,000	-	-16,000,000
Variable Speed Drive Units	40,000,000	-	40,000,000		-40,000,000
Renewable Energy	-	-	-	88,000,000	88,000,000
Total	672,630,999	29,439,750	643,191,249	649,718,000	6,526,751

The shortfall set out in the table above amounting to Sri Lankan Rupees Six Million Five Hundred and Twenty Six Thousand Seven Hundred and Fifty One (LKR 6,526,751) will be funded through internally generated funds of the Company.

The approval of the shareholders will be obtained for the abovementioned change to the utilization of the IPO proceeds and extension of the utilization timeline as specified above, by special resolution, at an Extraordinary General Meeting of the Company.

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



Secretaries