



LEE HEDGES PLC

(formally known as Shaw Wallace & Hedges PLC)
Registration No. : PQ 152
353, Galle Road, Colombo 03, Sri Lanka.

Telephone : +94-11-2301732, 2301035
Fax : +94-11-2574636
E-mail : pplh@leehedges.lk

17th June 2020,

Mr. Renuka Wijayawardhane,
Chief Regulatory Officer,
Colombo Stock Exchange,
World Trade Centre,
Colombo 1.

Dear Sir,

DISCLOSURE REGARDING THE IMPACT OF COVID 19

We refer to your letters of 20th April and 9th May 2020 and wish to make the following disclosures.

1. BUSINESS

Lee Hedges PLC and its fully owned subsidiary Lee Hedges Investments Limited derive income by way of interest from its financial instruments and by way of rent of commercial premises, respectively. The company expect that the Company's income streams will continue and will receive the income streams from its investments as dictated by market conditions as the economy improves after the lockdown has been relaxed. We expect the continuity of our business and our investments as the economy and market conditions improves.

2. CAPITAL AND FINANCIAL RESOURCES

The Company has adequate liquid financial resources and its financial liabilities are minimal and can adequately service its financial obligations. The Company has adequate assets as collateral to raise funds, if required, for future investments.

3. VALUE OF THE ASSETS OF THE COMPANY

We do not anticipate any impact on the fair value of our investment property due its prime location, other than any future impact, if any, due to market conditions in the future.

We have recognised a fair value gain of Rs. 337 million for the group for the year ended 31.03.2020, Rs. 142 million on the investment property held by Lee Hedges PLC and Rs. 195 Million of investment property of the subsidiary Lee Hedges

Investments Limited ., based on the valuation as at 31.03.2020 by an independent valuer.

We do not anticipate any decrease in value of the financial assets held by the company. The Company also do not anticipate any material impairments in respect of any of the assets held by the company as at date.

4. FUTURE OPERATIONS OF THE COMPANY

The Board of Directors have decided to put on hold, for a period of one year, the building project on the land held by Lee Hedges PLC until the normalisation of the economy. The company has decided to:

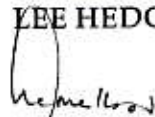
- (a) Pursue and obtains all the approvals from UDA and other authorities for the project, in the meantime.
- (b) Assess the impact on material procurement for the project due to current import restrictions.
- (c) Await future Government policy and incentives on infrastructure projects in future; and
- (d) Evaluate any other viable projects that will help economic growth within Governmental policy framework and objectives.

5. OPERATIONS OF THE COMPANY

The Company has resumed its full business operations within the guidelines imposed by health authorities with the full complement of our staff back at work.

Thanking you

Yours faithfully
LEE HEDGES PLC



S. Vamathevan
Chairman/Managing Director