

19th May 2020



Mr. Renuke Wijayawardhane
The Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Center
Echelons Square
Colombo 01

Dear Sir,

RE: CORPORATE DISCLOSURE REGARDING THE IMPACT OF COVID 19 ON THE BUSINESS OPERATIONS AS PER CSE CIRCULAR NO. 06-04-2020

We, LAUGFS Power PLC ("Company") with reference to your Circular dated 20th April 2020, hereby make the following disclosure with regard to impact of the ongoing COVID 19 pandemic on the business operations of the Company, as required by the said circular:

The impact of COVID-19 pandemic on the business/operations of the Listed Company

Being in an essential service which is renewable energy, the Company's business is less impacted operationally. However, in order to maintain operations as usual during the lockdown situation where movements were restricted, extra efforts and additional costs had to be incurred.

Further, the Company has encountered issues in verification and submission of monthly electricity bill due to non-operational situation of related CEB's regional offices. Which has resulted in delays in payments from the CEB.

In addition, sourcing of spare parts for plant maintenance has been disrupted due to prevailing import restrictions. Therefore, special arrangements had to be made for possible modified spare parts to be sourced locally. However a risk of unavailability of required spare parts in a major breakdown exist if the prevailing restricted situation is continued.

The Listed Company's response to the impact of the COVID – 19 pandemic.

In order to encounter the Lockdown situation, the Company had made several proactive measures to ensure the smooth operation of its power plants and health and safety of its workers. Most of the power plant personnel are from respective areas itself, and therefore they are able to report to work by using curfew passes. However, there are certain special technical personnel whose travelling is restricted within districts as usual, for which special arrangements have been made to provide accommodation at the plant so that such personnel can continue to provide their services.

Sourcing of alternate spare parts have been done in order to face any emergency situation. Special spare parts have been identified and made available for immediate dispatching once the restrictions are lifted.

In order to be in line with the health safety guidelines issued by health authorities all the plants have been equipped with requisite safety measures, and all personnel have been made aware of the procedures for proper safety at work.

The Listed Company's expectation of the future impact of COVID – 19 on the company's future operations and the financial condition.

The prevailing pandemic situation has indirectly affected the cash flow of the Company as payments from CEB has got delayed. Hence the Company has requested for the moratorium from the relevant banks as per the CBSL guidelines, which is yet to be confirmed.

In the given circumstances, the Company foresee that it would not be able to achieve its expected expansion of generation capacity during this financial year.

Yours faithfully,

LAUGFS Power PLC

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

W. K. H. Wegapitiya
Group Chairman