

26 May 2020

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block
World Trade Centre
Colombo 01.

Dear Sir,

DISCLOSURE ON THE IMPACT OF COVID-19 ON LISTED COMPANIES
TALAWAKELLE TEA ESTATES PLC

We refer to your Circular No. 04-05-2020 of 9th May 2020, and disclose hereunder the Company's position on the impact of COVID 19 to the Colombo Stock Exchange.

1. Impact of COVID 19 pandemic on the Business/Operations of the Company

Following the outbreak of COVID 19, Tea crop intake and revenue declined during the month of March 2020 due to restrictions of working days and suspension of Colombo Tea Auctions. After Government declared Plantation sector as an "essential service" normal operations continued but crop and revenue were affected due to severe drought in the Tea growing regions.

Though the initial two Tea Auctions got cancelled during March 2020, from April onwards sale of Tea through online Auction improved the Company's cash flows.

2. Financing & Liquidity

Since April 2020, the impact on cash flow considerably improved with the startup of Online Tea Actions from 6th April and also with the increases in prices and demand which resulted from the recognition of Black Tea as a healthy beverage. This was also possible due to relaxation of curfew rules for the agricultural industry, which brought the production of Tea in to its normal standards.

The Company also applied for the "relief loan package" introduced by the Central Bank and if granted it would help the Company to meet short-term cash deficits and meet its financial commitments.

3. Impact on Assets & Impairments

The Company got back to its normal operations when the Plantation sector was declared as an essential service and with the relaxation of curfew rules in the planting districts. The measures the Company has taken to mitigate the impact of COVID 19 on crop intake, revenue from the month of April 2020 is successful and therefore there is no requirement to impair of Biological Assets, Debtors and Other Assets of the Company.

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4. Impact on Internal Operations & Business Continuity

Since plantations are mainly based in districts which are not severely affected by the COVID 19 and also due to the government policies on agricultural industry as an essential service, it allowed us to soon get back to normal operations while implementing strict health care & safety measures. However, the operations at Head Office level got disrupted due to the strict enforcement of curfew in Colombo but work continued under the concept of work from home and few staff members coming into Head Office to attend to essential jobs with travel permission obtained.

5. Company's Response to the impact of COVID 19 pandemics

The Company considers its human resource as the greatest asset and therefore stringent measures have been adopted among employees in all its Fields, Factories and Tea Centers to control/contain the outbreak of Corona Virus. The Company will continue its policy of Human Resource Development to meet the future challenges that will arise in skill and competency levels.

In this context, ensuring health and safety of our employees is of paramount importance and we have facilitated work from home for our Head Office employees, sanitization and other safety measures have been introduced and implemented at all our Estates and Manufacturing facilities. Several welfare measures such as providing dry rations, cash advances to maintain livelihood of our Estate employees during this period were undertaken.

6. Company's expectation of the Future impact of COVID 19 on the Company's future operations and the financial condition.

The Company is optimistic about the Tea prices and the demand for Black Tea as it has been recognized as a healthy beverage. We assume Sri Lanka will be able to obtain a bigger market share due to the disruption of production facilities in other countries affected by COVID19.

Further, our Company is confident of its ability to carry on the normal operations and continuing its business.

Your Faithfully
TALAWAKELLE TEA ESTATES PLC



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Mohan Pandithage
CHAIRMAN