

Tea
Estates
Sri Lanka

Udapussellawa
Plantations PLC

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Finlays
Since 1750

15th June 2020

Mr. Renuke Wijayawardhena
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Echelon Square
Colombo 1

Dear Sir,

Udapussellawa Plantations PLC - Disclosure regarding impact of COVID19

We write with reference to your Circular No 06-04-2020 dated 20th April 2020, and hereby disclose the status of operations of Udapussellawa Plantations PLC, and provide an insight on how the company has been managing through the ongoing COVID-19 pandemic.

Impact of COVID-19 Pandemic on the Business/Operations

Following the outbreak of COVID-19, the Government initially declared a work from home period with a subsequent island-wide curfew being imposed on 20th March, 2020. At the very outset, other than for those engaged in essential services, many were compelled to stay at home with most business operations reaching a near standstill. Thereafter, with activities being streamlined the Company's operations gradually picked pace. However, as a result the company's cash flows were impacted due to suspension of the Colombo Tea Auctions for two weeks in March, whilst crop intakes were significantly lower, primarily due to restrictions of working days. Transport of produce to Colombo too was limited and functioned with bottlenecks due to stringent lockdown measures introduced, coupled with prohibition of inter-district passenger travel.

The Company's Response to the Impact of COVID-19

With the Government declaring the Plantation Sector an "essential service", the company continued to operate its estates with executive supervision established through a process of online meetings and reporting framework. Following many stakeholder meetings, the industry rallied together and established the Country's first-ever electronic tea auction platform, resulting in the first E-Auction being held on Saturday, 4th April 2020. Although an improvement in tea prices was noted at auctions, the traded quantities were relatively low, primarily also due to crop losses arising from the prolonged drought in the first quarter of the year in tea-growing regions, which resulted in a revenue drop.

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Registered in Sri Lanka
No. PQ 62

Registered Office:
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Sri Lanka

Directors
N K H Ratwatte (Chairman)
G S Jayasinghe
D J Ratwatte
G R Chambers
J M Rutherford
E D P Sooseipillai
G K B Dasanayaka

 **SWIRE**

The company's internal COVID-19 emergency response covering business continuity has also been initiated by the senior management team together with key staff members. Hygiene protocols based on Ministry of Health guidelines were established and action-points on operating the various business units too have been implemented.

The Company's Expectation of the Future Impact of COVID-19 on the Company's Future Operations and Financial Condition

Since the situation is still evolving, more time is required to assess and quantify the future impact of COVID-19 on the company's operations. Meanwhile, the company will continue to implement long-term strategic plans at its estates including ongoing cost-saving initiatives and restructuring programmes for long-term sustainability of the business.

Yours faithfully

UDAPUSSELLAWA PLANTATIONS PLC

A handwritten signature in black ink, appearing to be 'J. S. S.', is written over the company name and the title 'MANAGING DIRECTOR'.

MANAGING DIRECTOR