

LIMURU TEA PLC.

P. O. BOX 20, Kericho 20200, Kenya
Telephone: 0722307394/5

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30th JUNE 2020.

The Board of Directors is pleased to announce the Company's unaudited results for the Six months ended 30th June 2020.

STATEMENT OF FINANCIAL POSITION	As At 30.06.20	As At 30.06.19
CAPITAL EMPLOYED	Shs'000	Shs'000
Share capital	24,000	24,000
Retained Earnings & reserves	168,346	166,726
Profits for the period	(11,071)	(18,159)
Proposed dividend for 2019*	1,680	-
Total equity	182,955	172,567
Non-Current Liabilities		
Deferred income tax	8,853	11,496
Post-employment benefit obligation	15,917	14,633
	24,770	26,129
Total equity and Non-Current Liabilities	207,725	198,696
REPRESENTED BY		
Non-Current Assets		
Property, Plant and Equipment	89,730	99,858
Biological assets	3,168	2,820
	92,898	102,678
Current Assets		
Receivables	117,833	120,447
Current income tax-Asset	9,488	12,232
Cash at bank and in hand	5,365	5,182
Biological Asset green leaf	2,918	3,656
	135,604	141,517
Current Liabilities		
Trade and other payables	20,777	53,281
Current income tax-Liability	-	(7,782)
	20,777	45,499
Net Current Assets	114,827	96,018
	207,725	198,696

* The proposed dividend for 2019 was paid out in July of 2020.

CONDENSED STATEMENT OF CASH FLOWS	As at 30.06.20	As at 30.06.19
	Shs '000	Shs '000
Net cash from operating activities	4,146	124
Net cash used in investing activities	-	(1,579)
Increase/(decrease) in cash and cash equivalents	4,146	(1,455)
Movement in cash and cash equivalents		
At start of year	1,219	6,637
Increase/(decrease)	4,146	(1,455)
At end of June	5,365	5,182

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	Jan-June 2020		Jan-June 2019
	Shs '000		Shs '000
Turnover	50,643		29,352
Profit before income tax	(11,355)		(25,941)
Income tax (Credit)	284		7,782
Profit attributable to the shareholders	(11,071)		(18,159)
Issued shares of Kshs. 10 each	2,400,000		2,400,000
Earnings per share (Shs)	(4.61)		(7.57)
Total Dividends per share (Shs)	-		-

CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital	Retained Earnings & reserves	Proposed Dividend	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Balance at 1 January 2019	24,000	166,726	2,400	193,126
Total recognized income for 2019	-	(18,159)	-	(18,159)
Dividends			-	-
Final paid for 2018			(2,400)	(2,400)
Balance as at 30th June 2019	24,000	148,567	-	172,567
Balance at 1 January 2020	24,000	168,346	1,680	194,026
Total recognized income for 2020	-	(11,071)	-	(11,071)
Balance as at 30th June 2020	24,000	157,275	1,680	182,955

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COMMENTARY

Performance

In the first half of 2020, the Company produced 2,172 Tons of green leaf, which in turn was manufactured into 458 Tons of black tea. This was a 72% increase in Made Tea volumes compared to the first half of 2019.

Total revenues increased by 72% to Kes 50 million in the period compared to Kes 29 million realized in the same period of 2019. This increase in the first half of 2020 was driven by higher sales volumes which offset the adverse impact of declining market prices.

The Company posted a pre-tax loss of Kes 11 million in the first half of 2020 compared to a pre-tax loss of Kes 26 million in 2019. This reduction in loss is attributed to the Topline growth and effective cost management initiatives.

Dividend


The Directors do not recommend an interim dividend.

Prospects & Covid-19

The depressed market prices continue to pose a risk to the business performance. The management continues to focus on volume growth, cost management and other strategic initiatives to mitigate the market impact.

The Covid-19 pandemic remains a risk to the operations of the business, however, the management has put in robust business continuity plans to ensure this risk is minimized.

Dr Richard Korir

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CHAIRMAN
7th August 2020