



Uganda Clays Ltd

CAUTIONARY ANNOUNCEMENT

Pursuant to Rule 1(1) Appendix 4 of the Uganda Securities Exchange Listing Rules, 2003 the Board of Uganda Clays Limited (UCL) would like to inform our shareholders and the general public of the following matters which are expected to materially impact the results for the period ended 31st December 2018. The issues relate to the:

- (i) The values attached to certain plots of land owned by the company which have been affected by the construction of the Kampala-Entebbe Expressway/Munyonyo spur.
- (ii) The value for inventory stock at the company's factory at Kamonkoli that had been damaged by flooding as a result of road works on the Mbale-Tirinyi highway and which is now a subject of a court case against Uganda National Roads Authority;
- (iii) The amount of the loan and interest owed by the company to the National Social Security Fund and progress in the debt-equity conversion.

The information contained in this announcement is based on preliminary audit opinion by the Company's External Auditor. We wish to advise however that the treatment of the above matters under the Company's Accounts has substantially been resolved; and the Final Audited Financials of the Company for the year ended 31st December 2018 are expected to be released and published on or before 21 May 2019.

Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities.

UCL is a public company listed on the Uganda Securities Exchange. It is the leading manufacturer of quality baked clay building products in Uganda, operating plants in Kajjansi in Wakiso District and Kamonkoli in Budaka District. It is ISO certified.

For more details about UCL, visit: <http://www.ugandaclays.co.ug/>

GEORGE INHOLO
CHIEF EXECUTIVE OFFICER