



CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315

29th April 2020

Mr. Renuke Wijayawardhane
Chief Operating Officer
Colombo Stock Exchange
04-01, West Block
World Trade Centre
Echelon Square, Colombo 1

Dear Sir,

Our Ref.: PEG/CSE/ANN/2020/NS/02

ANNOUNCEMENT

**PEGASUS HOTELS OF CEYLON PLC ("the Company")
DISCLOSURE REGARDING IMPACT OF COVID-19**

The following disclosure is made in accordance with the Colombo Stock Exchange Circular No.: 06-04-2020 dated 20th April 2020.

The operations of our two hotels are significantly impacted due to COVID-19 Pandemic. As a result, at present, operations of both the hotels of the group are effectively closed adhering to the measures taken by the Government of Sri Lanka to prevent the spread of the disease in the country. Even though the prevailing curfew is expected to be relaxed gradually, it will take a while until some degree of normalcy sets in to the industry and to the Group. Economic impact and the resultant effect on personal income and corporate earnings will see substantial reduction in discretionary spending on leisure and other related activities in the short-term. Further, international travel, both leisure and business, will take much longer to recover to a satisfactory level which too will have a substantial negative impact on the operations of the two hotels.

It is too early to forecast the duration of the impact of COVID-19 on the business, however, we expect a substantial reduction in revenue during the financial year 2020/21. Accordingly, it is likely that the expected loss of the first half of the financial year 2020/21 would be more than the losses recorded in the comparative period of the financial year 2019/20, which was also similarly impacted by the Easter Sunday terrorist attacks.

The above disclosure is made based on the information available at this point of time, as the business environment will continue to evolve with many challenges in the coming months, which cannot be predicted. However, teams at Pegasus and Giritale Hotels will be committed and ready to serve our guests when they arrive, hopefully in the near future.

Yours faithfully,
For and on behalf of
PEGASUS HOTELS OF CEYLON PLC
Carsons Management Services (Private) Limited


Director

Secretaries

-/VW