

citrus

10th June 2020

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

Dear Sir,

CITRUS LEISURE PLC – DISCLOSURE REGARDING THE IMPACT OF COVID-19

The Travel and leisure sector is facing an unprecedented challenge of global scale and proportion. The government of Sri Lanka has successfully managed the Covid-19 pandemic in the country thus far by making health and saving lives its number one priority. The manner in which the local authorities are handling this crisis will no doubt resonate well with the world and the global traveler will have more confidence in our destination when our borders open.

Today, Sri Lanka along with many other countries around the world is slowly attempting to relax its internal restrictions. However, the future of the sector remains quite uncertain and a slow learning experience lies ahead of us until a permanent global solution for Covid-19 is reached. Hence any immediate attempts to reliably forecast the future of the current FY 2020/21 would be futile. Nonetheless the company is vigilantly following the developments and approaching the current challenges and constraints with a sense of creativity and open mindedness.

In keeping with the Group's nation mindedness ethos in support of the valiant efforts of those in the front line, we were the first to offer our resort facilities at Citrus Waskaduwa to be used as a Quarantine Center, creating a trend amongst our peers in the leisure sector. However, as the need did not arise at that juncture, the authorities decided to utilise same to house Sri Lankan overseas returnees opting for the Government's offer of paid quarantine facilities along with other hotel operators. Accordingly, Citrus Waskaduwa commenced operations on 04th May 2020 as a paid quarantine center under the stringent supervision of the Sri Lanka Army and strict guidance issued by the Medical Authorities. Under their guidance, we have taken extra care to implement measures and protocols to ensure the highest standards of health and safety for all our guests and staff which is our number one priority. Once the requirement for such a quarantine center by the Government is fulfilled, Citrus Waskaduwa will be completely decontaminated in keeping with highest international standards before normal resort operations commence.

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Our Colombo City property, The Steuart by Citrus has been in operation in limited capacity throughout this time to serve the needs of a few long staying guests. On 26th May 2020, the restaurant and the hotel was opened to the public under the instructions received from Health Authorities. Stringent measures are in place in line with the guidelines set out by WHO and Ministry of Health. While we are unable to go back to full scale operations anytime soon, the current operations are generating vital cashflows for the company.

Citrus Hikkaduwa has been closed from 31st March 2020 and will be opening for local travelers from mid of June 2020.

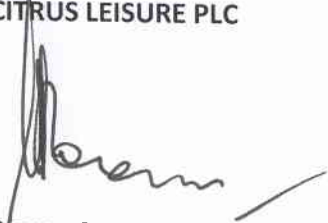
During this time, the group has made every effort to curtail all costs and will continue to implement such initiatives to manage our finances. We are in constant discussions and negotiations with our financial partners and lending institutions in order to maneuver through this critical cash constrained period. All properties are being managed and maintained using small but efficient cross functional teams. Regular consultations and representations with the industry bodies are also being done in order to obtain the much needed concessions and protective measures which could be highlighted to the government to sustain the sector.

The manner in which the borders will open, and to which markets we open and what measures will be required for travelers is still unclear. These will no doubt be planned and implemented soon but will evolve with the dynamic/volatile global situation we are faced with. In the meantime, we will continue to keep our brand at the top of the minds of our travel agents, potential customers and stakeholders. As the situation in Sri Lanka becomes "near normal", we will focus our energies on the local market while ensuring to adhere to all precautionary health and safety measures as per the local and international guidelines. We are actively trying to think outside the traditional model and are evaluating all possible opportunities. While in the medium to long term, the industry is bound to bounce back, our commitment to provide "happiness moments" to all our guests with utmost safety and responsibility, and the continued wellbeing of our staff will remains our top priority.

Thank You

Yours faithfully

CITRUS LEISURE PLC



Prema Cooray
Chairman