



MAHAWELI REACH
SRI LANKA

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PQ 127

11th June 2020

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01 West Block, World Trade Centre,
Echelon Square, Colombo 00100

Dear Sir,

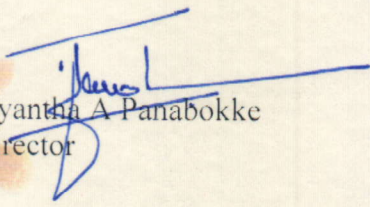
Impact of COVID -19 on Mahaweli Reach Hotels PLC

The COVID 19 pandemic which has had unprecedented ramifications for the tourism industry globally and for the country and economies as a whole, has made the operation of Mahaweli Reach Hotel very challenging. While the hotel continued to operate in a limited manner and has launched and continued a home delivery service for food, other revenue streams such as room occupancy have been severely affected.

The impact on the economy of the country will have a natural cascading effect on discretionary spending. These circumstances and the fact that international travel has virtually halted for the first quarter of this financial year, are expected to have a negative impact on the leisure sector and our company. Given the evolving nature of the current crisis, it is difficult to forecast the full extent of the impact on the business of the company. However, it is anticipated that the revenue for the first half of the financial year of 2020/2021 will be substantially less than even the previous year which was negatively impacted by the terror attacks of April 2019.

The company is taking all possible steps to manage the financial and other risks with a view to continuing the operations of the hotel. While this statement is based on available information, the coming months may bring forth greater challenges which cannot all be predicted and the team at Mahaweli Reach will endeavour to overcome same with dedication and perseverance.

Yours faithfully,
For and on behalf of
MAHAWELI REACH HOTELS PLC


Jayantha A Panabokke
Director