



LANKA
HOSPITALS

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13th May 2020

Mr. Renuka Wijayawardhane

Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block
World Trade Centre
Colombo 1.

Dear Sir,

RE: CIRCULAR NO 06-04-2020- DISCLOSURE REGARDING IMPACT OF COVID 19 ON OPERATIONS OF THE LANKA HOSPITALS CORPORATION PLC

With reference to your Circular dated 20th April 2020, we hereby disclose the following with regard to our business/ operations in view of the ongoing COVID- 19 pandemic.

The impact of COVID-19 pandemic on the business/ operations:

The outbreak of COVID-19 is expected to have unprecedented economic implications, both globally and domestically. The International Monetary Fund foresees an inevitable global recession in 2020, driven by the triple impacts of demand, supply, and financial shocks. On the domestic front, the Sri Lankan government has so far been successful in containing a rapid spread of the virus; however, stringent social distancing measures and disruptions to global supply chains have had a significant impact on economic activity and consumer demand.

Measures in place to control COVID 19 situation since 20th March 2020 had a significant impact on patient volumes and occupancies, resulting in a sharp drop in revenues. Over the short-term our key priorities include ensuring patient and employee safety, while managing liquidity levels and minimizing costs.



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We expect a gradual recovery over the medium to long-term, given the essential nature of the services we offer. While the short-term drop in disposable incomes will result in a certain segment of our customers opting for government healthcare, we expect conditions to normalise over the medium to long-term as economic activity gradually recovers.

Hospital's response to the impact of the COVID-19 pandemic:

The Lanka Hospitals' key priority in the current context is ensuring the safety of its employees and patients. These include educating staff and patients on maintaining social distancing, issuance of masks and use of sanitizers in common places in hospital and inside departments, maintaining clean environment, hand hygiene, using personal protective equipment when giving treatments to patients, putting a contingency plan in place in the event of a lockdown, and exploring digital and other online safe modes of consulting our patients to prevent infection.

As a healthcare operator, immediate steps were taken to effectively identify patients at risk of COVID-19 and implement a mechanism to minimize the spread of the virus in the event that COVID-19 positive patients were identified.

Company's expectation of future impact of COVID 19 on Company's future operations and the financial conditions.

Given the fluidity of the current scenario the exact economic implications are yet to be ascertained although sharp declines in disposable incomes, import restrictions and significant fiscal pressure is expected to weigh down in economic activity- at least over the short-to-medium term.

Yours' faithfully,

For The Lanka Hospitals Corporation PLC (PQ 180),



Dr. Wimal Karandagoda
Director Medical Services
Acting Group CEO