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13th May 2020

Mr. Renuke Wijayawardhane,
Chief Regulatory Officer
Colombo Stock Exchange (CSE)
04-01
West Block World Trade Center
Echelon Square
Colombo 00100
Sri Lanka.

Dear Sir,

Requesting & Extension to Publish Quarterly Financial Statement

With reference to your circular No. 03.04.2020 of 10th April 2020 on the above subject.

We, The Lanka Hospitals Corporation PLC has decided to submit the 1st quarter quarterly financial statements as at 31st March 2020, by 29th May 2020. Due to the current situation in the country, company is unable to prepare the quarterly financial statements by 15th May 2020. However, for the benefit of our valued shareholders and investors, who trade in our shares, we wish to make the following disclosure.

1. Turnover

<i>For the 03 months ended,</i>	<i>Group</i>		<i>Company</i>	
	<i>31st March 2020</i>	<i>31st March 2019</i>	<i>31st March 2020</i>	<i>31st March 2019</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Revenue from contract with customers	1,697,399,649	1,884,748,191	1,385,845,180	1,540,327,158



Organization Accredited by Joint Commission International

2. Brief of future outlook

Given the prevalent conditions, the Group's immediate priority will be on maintaining its liquidity position, curtailing non-essential expenses, and minimizing losses. Over the medium to long-term however, the Group's strategic priorities remain unchanged and are centered on the key objectives of Quality and Compassionate care, Sustainable value for shareholders, Better value healthcare, Excellence in tertiary care and A Leader in Innovative technology.

3. Message to the investors

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.

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 normalize 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.

4. Communication with Directors and key management personnel who have access to unpublished price sensitive financials

All measures have been taken to retain the unpublished confidential and price sensitive information that may be accessed by the Directors and key management personnel in utmost care. Both Directors and key management personnel have declared that they refrain from divulging any unpublished price sensitive information to any third party or use for their personal gain and benefit. To this extent the Company is confident that the shareholders who are deprived of getting the quarterly financial statements within the stipulated time frame given in CSE regulations have been taken care of.

Yours faithfully,

For The Lanka Hospitals Corporation PLC (PQ 180),


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Dr. Wimal Karandagoda
Director Medical Services
Acting Group CEO