



31th August 2020

Ceylon Hotels Corporation PLC

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

Dear Sir,

Ceylon Hotels Corporation PLC

Market Disclosure on Annual Report for the year ended 31st March 2020

The following disclosure is made in accordance with the Colombo Stock Exchange (CSE) Circulars No: 03-04-2020 dated 10th April 2020 and 06-05-2020 dated 14th May 2020 on extension of timelines for submission of financial statements and enforcement actions.

We write to inform that due to the disruption resulted from the COVID-19 pandemic, Ceylon Hotels Corporation PLC is unable to submit the Annual Report for the year ended 31st March 2020 as per the listing rules and wish to make the following disclosures as per the CSE Circular No. 03-04-2020 dated 10th April 2020.

For the benefits of our valued shareholders and investors, who wish to trade in our shares, we wish to make the following disclosure.

A separate market disclosure was made on 11th May 2020, outlining the Impact on business/operations of the Company and Subsidiaries, our response and the future outlook of the Company due to the Covid 19 pandemic (which is enclosed herewith). The Interim financial statement for the year ended 31st March 2020 has been published on 14th August 2020. Further, the Interim results for the quarter ended 30th June 2020 has also been published on 14th August 2020.

Turnover for the year ended 31st March 2020 is reproduced given below:

	Group		Company	
	Year Ended 31 st March		Year Ended 31 st March	
	Unaudited 2020	Audited 2019	Unaudited 2020	Audited 2019
Revenue	1,026,641	1,633,512	8,326	8,562

* All values are in Rupees Thousands.

Ceylon Hotels Corporation PLC

No. 327, Union Place, Colombo 02, Sri Lanka.

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Marketing Direct Line : 0094 11 5634573/63, Finance : 0094 11 5634649/5634571

General Fax : 0094 11 5345875, Travel Bureau Fax : 0094 11 5345882

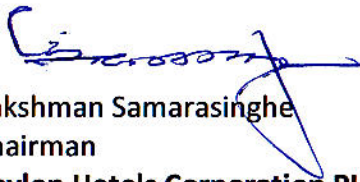
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❖ **Communication with Directors and key management personnel who have access to unpublished price sensitive financials**

The Company wishes to confirm that it has informed its Directors, Key Management Personnel and other related parties who have access to unpublished price-sensitive information to take additional precautions in the event such parties intend to trade during the delayed period of information submission.

Further, the Company confirms its commitment towards publishing the Annual Report within the extended time period in accordance with CSE circular No: 06-05-2020 dated 14th May 2020.

Thank You
Yours faithfully,



Lakshman Samarasinghe
Chairman
Ceylon Hotels Corporation PLC



Ceylon Hotels Corporation PLC

11th May 2020

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

Dear Sir,

Ceylon Hotels Corporation PLC - Market Disclosure on COVID-19 Impact

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

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

The COVID-19 pandemic and the containment measures taken (Globally) to prevent its spread, have impacted the Travel and Tourism Industry the hardest, with Global and Local travel coming to a grinding halt. The resultant impact of the pandemic on the business of the Company and its leisure assets owning Subsidiaries (Group) is unprecedented, as it has affected all streams of income generation. At present all the leisure properties (of the Group) are temporary closed given zero occupancy levels, and is adhering to guidelines issued by the Government of Sri Lanka to prevent the spread of the Virus and to ensure the safety of its employees.

We are not in a position to provide a definitive impact assessment at this point in time, given that a resumption of business is interlinked with the recovery time period of local conditions as well as global tourism. However, we expect the impact on performance in the first and second quarter to be negative

Our response to COVID-19

With all the leisure properties (of the Group) operating at zero occupancy levels and with any resumption of business depending on multiple external factors, the operations of the hotels have been hibernated to minimise the expense base and to conserve the cash position. Multiple cost saving initiatives have been undertaken at each of the hotels as well as at the Central office. We have frozen all non-essential expenditure and have introduced stringent expense control measures. In addition, the Company and its subsidiaries have implemented payroll reductions starting at 10% and in some cases as high as 50% with individual employee

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consent. Further measures may and will have to be taken, depending on how the current crisis evolves.

The Company's and its subsidiary's businesses have been stress tested under multiple scenarios to determine their ability to sustain with available cash resources and banking facilities.

We have requested for debt service moratoriums for the existing loans of the Company and its Subsidiaries, from the bankers in line with concessions announced by the Central Bank of Sri Lanka. The Group has also applied for Working Capital Loans under the same scheme. These would provide further support to the financial position of the Group, when granted.

Future Outlook

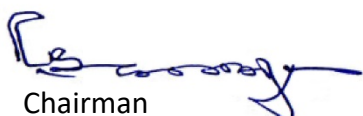
The tourist arrivals to Sri Lanka dropped by 70.8% in March 2020 vis a vis March 2019 and has come to a standstill in April given the lockdown measures implemented globally. Zero to low levels of arrivals are expected to remain until these measures are relaxed. The outlook for the first and second quarters of the financial year 2020/ 2021 is negative with the financial performance projected to see a sharp decline. Prospects in the medium term also remain challenging as a resumption of global travel and tourism is dependent on multiple external factors such as the successful containment of the virus, reduced risks of a second wave, lifting of border restrictions without the need to get quarantined and an appetite towards global travel. Further, it is expected that a resumption in travel and tourism to initially start within local borders prior to the commencement of any international travel. Therefore, the industry would have to depend on the local travel and leisure market until the global travel returns normalcy.

The Company is also gearing itself for a change in hospitality trends, where customers will prioritize health, safety and hygiene standards as a core part of their expectations. Further, we are actively looking at realigning the group leisure assets to explore new opportunities that could provide alternative streams of revenue in the short term and is also evaluating options to align its leisure properties to better serve guests in a transformed world.

The Company is thankful to the leadership of H.E. President of Sri Lanka, the taskforce on prevention of COVID-19 outbreak, and is mostly grateful to the healthcare providers, tri-forces, police and all other authorities for their tireless efforts and the sacrifices made to manage this unprecedented crisis. Given our decades long experience in the hospitality industry we are committed to overcoming this challenge and adapting our business model to align with emerging hospitality trends in the future.

Thank you.

Yours faithfully,



Chairman

Ceylon Hotels Corporation PLC