CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315

21st July 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
4-01, West Block, World Trade Centre
Echelon Square, Colombo 1

Our Ref.: PEG/CSE/ANN/2026/NW/03

Dear Madam,

ANNOUNCEMENT
PEGASUS HOTELS OF CEYLON PLC (THE 'COMPANY')
SUB-DIVISION OF EXISTING ORDINARY SHARES OF THE COMPANY

The Board of Directors of Pegasus Hotels of Ceylon PLC by Circular Resolution No. PEG/2026/10 dated 20th July 2026 resolved to recommend to its Shareholders to increase the number of Ordinary Shares by way of a Sub-Division without a change to the Stated Capital of the Company as follows;

1. Every existing Ordinary Share (01 Share) will be sub-divided into two (02) Ordinary Shares.
2. Consequent to the Sub-Division, the number of issued Ordinary Shares will be increased from 42,210,470 Ordinary Shares to 84,420,940 Ordinary Shares.
3. There will be no change to the existing Stated Capital of the Company, which will remain at Rs.751,548,321/50.
4. The Sub-Division will be subject to the following;
   a. The Company receiving the concurrence of the Colombo Stock Exchange (CSE) to proceed with such Sub-Division of Ordinary Shares.
   b. The increase of the number of Ordinary Shares by way of a Sub-Division as referred to above being approved by the Shareholders of the Company at an Extraordinary General Meeting of the Shareholders.
5. Article 15 (2) of the Articles of Association permits the Company to sub-divide the Shares by an Ordinary Resolution of the Shareholders, an excerpt of which is set out below:

   "The Company may subdivide all of the Shares in the Company or all of the Shares in a particular class of shares in the Company into a greater number of Shares, in proportion to those Shares, leaving unaffected the relative voting and distribution rights of the holders of those Shares, it being deemed that all of the rights attached to all of the Shares that existed prior to the subdivision shall, ipso facto, vest by the subdivision on the Shares so subdivided. The Board may follow a procedure to effect such subdivision as the Board may consider appropriate."

The Company will submit the requisite documentation to the Colombo Stock Exchange within seven (07) market days, i.e. on/before Friday, 31 July 2026. Thereafter, subject to obtaining the concurrence of the Colombo Stock Exchange in respect of the requisite documentation, Shareholders' approval for the proposed Sub-Division of Shares will be sought at an Extraordinary General Meeting to be convened in due course.

Yours faithfully,
For and on behalf of
PEGASUS HOTELS OF CEYLON PLC
Carsons Management Services (Private) Limited

Natasha Selvaratnam
President - Group Company Secretarial
Secretaries
NS/JF/NW

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V. R. Wijesinghe, D. R. P. Goonetilleke

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CARSON
CUMBERBATCH
COMPANY