PEGASUS HOTELS OF CEYLON PLC

A Carson Cumberbatch Company

Condensed Interim Financial Statements

For the year ended 31st March 2026

Pegasus Hotels of Ceylon PLC

Statement of Profit or Loss and Other Comprehensive Income

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended 31st March			Year ended 31st March		
	2026	2025	Change %	2026	2025	Change %
Revenue	302,200	261,755	15	985,892	968,685	2
Direct costs	(172,762)	(157,739)	10	(647,147)	(649,371)	-
Gross profit	129,438	104,016	24	338,745	319,314	6
Other income	3,197	1,707	87	7,617	4,939	54
Selling and promotional expenses	(18,488)	(18,010)	3	(55,771)	(69,983)	(20)
Administrative expenses	(94,984)	(84,610)	12	(308,635)	(265,856)	16
Profit/ (loss) from operations	19,163	3,103	518	(18,044)	(11,586)	56
Loss from disposal of subsidiary	-	(21,834)	(100)	-	(21,834)	(100)
Finance income	7,334	2,764	165	29,942	9,997	200
Finance costs	(4,861)	(2,214)	120	(17,865)	(19,880)	(10)
Net finance income/ (cost)	2,473	550	350	12,077	(9,883)	(222)
Profit/ (loss) before tax	21,636	(18,181)	(219)	(5,967)	(43,303)	(86)
Income tax expenses	-	-	-	-	-	-
Deferred tax	(28,806)	(10,359)	178	(27,055)	(7,986)	239
Profit/ (loss) for the period/ year	(7,170)	(28,540)	(75)	(33,022)	(51,289)	(36)
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Gain/ (loss) from actuarial valuation of employee benefits	(851)	(6,568)	(87)	(851)	(6,568)	(87)
Revaluation of property, plant and equipment	762,033	-	100	762,033	-	100
Related tax	(228,355)	1,970	(11,692)	(228,355)	1,970	(11,692)
Other comprehensive income/ (expense) for the period/ year	532,827	(4,598)	(11,688)	532,827	(4,598)	(11,688)
Total comprehensive income/ (expense) for the period/ year	525,657	(33,138)	(1,686)	499,805	(55,887)	(994)
Earnings / (loss) per share (Rs.)	(0.17)	(0.68)		(0.78)	(1.22)	
Dividend per share (Rs.)	-	-		-	-	

Change % represents the percentage change in the current period's results compared to the corresponding period of the previous year.

Figures in brackets indicate deductions.

Pegasus Hotels of Ceylon PLC

Statement of Financial Position

(All figures are in Sri Lankan Rupees Thousands)

As at	31.03.2026	31.03.2025 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,502,341	2,636,579
Compensation receivable	24,759	24,759
Total non-current assets	3,527,100	2,661,338
Current assets		
Inventories	43,093	38,386
Investment in fixed deposits	214,150	125,033
Trade and other receivables	128,032	125,850
Tax receivable	3,033	1,787
Cash and cash equivalents	107,704	248,955
Total current assets	496,012	540,011
Total assets	4,023,112	3,201,349
EQUITY AND LIABILITIES		
Equity		
Stated capital	751,549	751,549
Capital reserves	2,131,199	1,598,932
Revenue reserves	(209,990)	(177,667)
Total equity	2,672,758	2,172,814
Non-current liabilities		
Deferred tax liability	871,840	616,430
Employee benefits	32,536	27,982
Loans and borrowings	146,667	68,948
Total non-current liabilities	1,051,043	713,360
Current liabilities		
Trade and other payables	252,643	202,925
Loans and borrowings	46,668	112,250
Total current liabilities	299,311	315,175
Total liabilities	1,350,354	1,028,535
Total equity and liabilities	4,023,112	3,201,349
Net assets per share (Rs.)	63.32	51.48

The Statement of Financial Position as at 31st March 2026 together with the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, as presented on pages 1 to 4, have been prepared from unaudited financial information.

I certify that these financial statements have been prepared in compliance with the requirements of Companies Act, No. 7 of 2007.

(Sgd).
L.C.D. Prasanga
Group Financial Controller
Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed on behalf of the Managers,

(Sgd).
V.R. Wijesinghe
Director
Carsons Management Services (Private) Limited
27th May 2026
Colombo

Approved and signed on behalf of the Board,

(Sgd).
M. Dayananda
Chairman

(Sgd).
K. Selvanathan
Director

Pegasus Hotels of Ceylon PLC

Statement of Changes in Equity

(All figures are in Sri Lankan Rupees Thousands)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 01st April 2025	**751,549**	**1,598,932**	**(177,667)**	**2,172,814**
Profit/ (loss) for the year	-	-	(33,022)	(33,022)
Other comprehensive income / (expense) for the year	-	533,423	(596)	532,827
Total comprehensive income / (expense) for the year	-	533,423	(33,618)	499,805
Transfer of revaluation surplus on disposal of assets	-	(1,156)	1,156	-
Forfeiture of unclaimed dividends	-	-	139	139
Balance as at 31st March 2026	**751,549**	**2,131,199**	**(209,990)**	**2,672,758**
Balance as at 01st April 2024	751,549	1,598,932	(121,896)	2,228,585
Profit/ (loss) for the year	-	-	(51,289)	(51,289)
Other comprehensive income / (expense) for the year	-	-	(4,598)	(4,598)
Total comprehensive income / (expense) for the year	-	-	(55,887)	(55,887)
Forfeiture of unclaimed dividends	-	-	116	116
Balance as at 31st March 2025	751,549	1,598,932	(177,667)	2,172,814

Figures in brackets indicate deductions.

Pegasus Hotels of Ceylon PLC

Statement of Cash Flows

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March	2026	2025
Cash flows from operating activities		
Profit/ (loss) before tax	(5,967)	(43,303)
Adjustments for:		
Interest income on fixed deposits	(21,329)	(9,175)
Unrealised foreign exchange loss/ (gain)	(6,167)	1,081
Interest expenses on loans and borrowings	17,865	18,799
Loss from disposal of subsidiary	-	21,834
Depreciation on property, plant and equipment	61,082	62,738
Loss/ (profit) on disposal of property, plant and equipment	4,462	-
Property, plant and equipment written off	-	1,312
Inventory written off	285	-
Provision made / (reversal of provision) for impairment of trade receivables	(217)	(501)
Provision for employee benefits	5,940	4,420
Operating profit / (loss) before working capital changes	55,954	57,205
(Increase) / decrease in inventories	(4,992)	(7,023)
(Increase) / decrease in trade and other receivables	(1,965)	(24,382)
Increase / (decrease) in trade and other payables	50,785	56,279
Increase / (decrease) in amounts due to related companies	-	(37,437)
Cash generated from / (used in) operations	99,782	44,642
Employee benefits paid	(2,237)	(515)
Net cash generated from / (used in) operating activities	97,545	44,127
Cash flows from investing activities		
Proceeds from disposal of subsidiary, net of transaction cost	-	235,008
Purchase of property, plant and equipment	(170,009)	(28,555)
Proceeds from disposal of property, plant and equipment	-	78
Investment in fixed deposits	(279,201)	(57,500)
Withdrawal of fixed deposits	191,516	20,968
Interest received	18,651	9,061
Net cash generated from / (used in) investing activities	(239,043)	179,060
Cash flows from financing activities		
Loans and borrowings obtained during the year	403,000	233,000
Loans and borrowings repaid during the year	(390,863)	(246,270)
Interest paid on loans and borrowings	(18,057)	(19,285)
Net cash generated from / (used in) financing activities	(5,920)	(32,555)
Net increase / (decrease) in cash and cash equivalents	(147,418)	190,632
Effect of exchange rate changes on cash and cash equivalents	6,167	(1,081)
Cash and cash equivalents at the beginning of the year	248,955	59,404
Cash and cash equivalents at the end of the year	107,704	248,955
Statement of cash and cash equivalents		
Placements with banking and financial institutions	39,940	14,368
Cash at bank and in hand	67,764	234,587
Cash and cash equivalents for the purpose of statement of cash flows	107,704	248,955

Figures in brackets indicate deductions.

Notes to the Interim Financial Statements

(All figures are in Sri Lankan Rupees Thousands unless otherwise stated)

1. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements of Pegasus Hotels of Ceylon PLC (the "Company") have been prepared using the same accounting policies and methods as the audited financial statements for the year ended 31st March 2025, and are in compliance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". The provisions of the Companies Act, No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

2. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosure in the financial statements.

3. COMMITMENTS AND CONTINGENCIES

3.1 Capital commitments

The Company had capital commitments of Rs. 13,364,683/- as at the reporting date.

3.2 Contingent liabilities

The Company does not have material contingent liabilities as at the reporting date.

4. LIABILITIES FOR EXPENDITURE

Significant expenses and support service fees for the year have been fully accounted for in the interim financial statements.

5. COMPARATIVE FIGURES

Previous period's figures and phrases are re-presented where necessary to conform to the current period's presentation.

6. GOING CONCERN

Based on currently available information, the directors are satisfied that the Company will continue to operate as a going concern for the foreseeable future.

7. STATED CAPITAL

The stated capital of the Company as at the reporting date was Rs. 751,548,321/50 consists of 42,210,470 fully paid Ordinary Shares.

8. RELATED PARTY TRANSACTIONS

For the year ended 31st March	2026	2025
Fellow subsidiaries of Carson Cumberbatch PLC group		
Support service fees incurred	10,029	9,039
Providing hotel services	5,605	9,759
Purchases of goods	9,954	10,154

* As at the reporting date, the Company has obtained Letters of Comfort amounted to Rs.100,000,000/- (31st March 2025: 176,500,000/-) from its parent company, Carson Cumberbatch PLC for the bank facilities obtained.

9. TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2026

	Name of Shareholder	Number of Shares	%
1	Carson Cumberbatch PLC A/C No.2	37,982,617	89.98
2	Merchant Bank of Sri Lanka Ltd/C. Sathkumara	690,592	1.64
	Mr. C. Sathkumara	422,014	1.00
3	Mrs. V.R. Jayasinghe	256,214	0.61
4	Estate of Late Mr. K.C. Vignarajah	235,220	0.56
5	Mr. P. Sri Skandarajah	70,351	0.17
6	Mr. M.F.J. Macan Markar	70,000	0.17
7	Mr. A. M. Weerasinghe	63,888	0.15
8	Archimedes Consultants (Pvt.)Ltd	62,633	0.15
9	Mr. P. R. Hettiwatta	58,252	0.14
10	Mrs. I. Gwyn (Deceased)	55,000	0.13
11	Mr. K.C. Jayawardene	53,088	0.13
12	Mrs. L.A. Jayasinghe	50,000	0.12
13	Mr. K. M. V. J. Senarathne	49,997	0.12
14	Mr. R.R. Vithanage	47,718	0.11
15	Mr. K. K. D. Senanayake	43,750	0.10
16	Mr. N.H. Talgaswatte	43,212	0.10
17	Mr. H. A. S. Madanayake	40,000	0.09
18	Mr. B. U. M. De S. Jayasinghe	36,909	0.09
19	Mr. A. Sithampalam	30,000	0.07
20	Mrs. R.C. Ranasinghe	29,164	0.07

10. PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of less than Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 31st March 2026

Float adjusted Market Capitalization (Rs.)	164,527,125.76
Number of Public Shareholders	2,913
Percentage of ordinary shares held by the public	10.02%

11. DIRECTORS SHAREHOLDING AS AT 31ST MARCH 2026

	No. of Shares
Mr. M. Dayananda (Chairman)	-
Mr. K. Selvanathan	-
Mr. M. T. L. Elias	-
Mr. V. R. Wijesinghe	-
Mr. S. Marimuthu	400
Mr. D.R.P. Goonetilleke	-
Mr. A.S. Amaratunga	-
Mr. G. C. Jayaweera (Appointed w.e.f. 10th February 2026)	-

MARKET PERFORMANCE- ORDINARY SHARES

12. SHARE VALUATION

As at/ for the three months ended 31st March 2026	Rs.
Last traded price per share	38.40
Highest price per share	50.00
Lowest price per share	33.60
Market capitalisation	1,641,987,283.00

Corporate Information

NAME OF THE COMPANY	Pegasus Hotels of Ceylon PLC (A Carson Cumberbatch Company)
COMPANY REGISTRATION NUMBER	PQ 40
LEGAL FORM	A Public Quoted Company with limited liability incorporated in Sri Lanka in 1966.
PARENT AND ULTIMATE CONTROLLING PARTY	Carson Cumberbatch PLC is the Parent Company of Pegasus Hotels of Ceylon PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Pegasus Hotels of Ceylon PLC.
DIRECTORS	Mr. M. Dayananda (Chairman)- Non-Executive Mr. K. Selvanathan- Non-Executive Mr. M. T. L. Elias- Independent Non-Executive Mr. V. R. Wijesinghe- Executive Mr. S. Marimuthu- Independent Non-Executive Mr. D.R.P. Goonetilleke- Non-Executive Mr. A.S. Amaratunga- Independent Non-Executive Mr. G. C. Jayaweera- Independent Non-Executive- Appointed w.e.f. 10th February 2026
AUDIT COMMITTEE	Mr. A. S. Amaratunga (Chairman) - Independent Non-Executive Mr. S. Marimuthu - Independent Non-Executive Mr. D. R. P. Goonetilleke - Non-Executive Mr. G. C. Jayaweera- Independent Non-Executive- Appointed w.e.f. 10th February 2026
REMUNERATION COMMITTEE	Mr. M. T. L. Elias (Chairman) - Independent Non-Executive Mr. S. Marimuthu - Independent Non-Executive Mr. D. R. P. Goonetilleke - Non-Executive
NOMINATIONS AND GOVERNANCE COMMITTEE	Mr. S. Marimuthu (Chairman) - Independent Non-Executive Mr. M.T.L. Elias - Independent Non-Executive Mr. M. Dayananda - Non-Executive
RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	Mr. A. S. Amaratunga (Chairman) - Independent Non-Executive Mr. S. Marimuthu - Independent Non-Executive Mr. D. R. P. Goonetilleke - Non-Executive Mr. G. C. Jayaweera- Independent Non-Executive- Appointed w.e.f. 10th February 2026
BANKERS	Commercial Bank of Ceylon PLC Standard Chartered Bank Sampath Bank PLC Hatton National Bank PLC People's Bank DFCC Bank PLC National Development Bank PLC SBI Sri Lanka
AUDITORS	Messrs. KPMG Chartered Accountants No. 32A, Sir Mohamed Macan Marker Mawatha, Colombo 03, Sri Lanka.
MANAGERS & SECRETARIES	Carsons Management Services (Private) Limited No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel: +94 11 2039 200 Fax: +94 11 2039 300
REGISTERED OFFICE	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
PLACE OF BUSINESS	Santha Maria Mawatha, Wattala, Sri Lanka. Tel : +94 11 2049 600
HOTEL WEBSITE	www.pegasusreefhotel.com
CORPORATE WEBSITE	www.carsoncumberbatch.com