PEGASUS HOTELS OF CEYLON PLC

A Carson Cumberbatch Company

Condensed Interim Financial Statements

For the three months ended 30th June 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 30th June	2026	2025	Change %
Revenue	232,597	175,229	33
Direct costs	(168,579)	(136,316)	24
Gross profit	64,018	38,913	65
Other income	1,234	1,360	(9)
Selling and promotional expenses	(12,625)	(10,652)	19
Administrative expenses	(79,323)	(67,020)	18
Profit/ (loss) from operations	(26,696)	(37,399)	(29)
Finance income	10,780	8,851	22
Finance costs	(4,534)	(4,378)	4
Net finance income/ (cost)	6,246	4,473	40
Profit/ (loss) before tax	(20,450)	(32,926)	(38)
Income tax expenses	-	-	-
Deferred taxation	3,898	8,164	(52)
Profit/ (loss) for the period	(16,552)	(24,762)	(33)
Other Comprehensive Income	-	-	-
Total Comprehensive Income/ (expense) for the period	(16,552)	(24,762)	(33)
Earnings / (loss) per share (Rs.)	(0.39)	(0.59)	
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	30.06.2026	31.03.2026 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,487,233	3,502,339
Compensation receivable	24,759	24,759
Total non-current assets	3,511,992	3,527,098
Current assets		
Inventories	41,612	43,092
Investment in fixed deposits	252,204	214,150
Trade and other receivables	130,956	128,032
Tax receivable	3,485	3,033
Cash and cash equivalents	55,842	107,704
Total current assets	484,099	496,011
Total assets	3,996,091	4,023,109
EQUITY AND LIABILITIES		
Equity		
Stated capital	751,549	751,549
Capital reserves	2,131,198	2,131,198
Revenue reserves	(226,544)	(209,992)
Total equity	2,656,203	2,672,755
Non-current liabilities		
Deferred tax liability	867,941	871,839
Employee benefits	32,860	32,536
Loans and borrowings	137,333	146,667
Total non-current liabilities	1,038,134	1,051,042
Current liabilities		
Trade and other payables	256,752	252,644
Loans and borrowings	45,002	46,668
Total current liabilities	301,754	299,312
Total liabilities	1,339,888	1,350,354
Total equity and liabilities	3,996,091	4,023,109
Net assets per share (Rs.)	62.93	63.32

The Statement of Financial Position as at 30th June 2026 together with the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the period 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
12th August 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 2026	**751,549**	**2,131,198**	**(209,992)**	**2,672,755**
Loss for the period	-	-	(16,552)	(16,552)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	(16,552)	(16,552)
Balance as at 30th June 2026	**751,549**	**2,131,198**	**(226,544)**	**2,656,203**
Balance as at 01st April 2025	751,549	1,598,932	(177,667)	2,172,814
Loss for the period	-	-	(24,762)	(24,762)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	(24,762)	(24,762)
Balance as at 30th June 2025	751,549	1,598,932	(202,429)	2,148,052

Figures in brackets indicate deductions.

Pegasus Hotels of Ceylon PLC

Statement of Cash Flows

(All figures are in Sri Lankan Rupees Thousands)

For the three months ended 30th June	2026	2025
Cash flows from operating activities		
Profit/ (loss) before tax	(20,450)	(32,926)
Adjustments for:		
Interest income on fixed deposits and savings accounts	(6,159)	(6,471)
Unrealised foreign exchange gain	(4,308)	(2,380)
Interest expenses on loans and borrowings	4,534	4,378
Depreciation on property, plant and equipment	19,193	14,089
Reversal of provision for impairment of trade receivables	(46)	-
Provision for employee benefits	1,200	720
Operating profit / (loss) before working capital changes	(6,036)	(22,590)
(Increase) / decrease in inventories	1,480	1,164
(Increase) / decrease in trade and other receivables	(2,878)	29,110
Increase / (decrease) in trade and other payables	3,140	(6,069)
Cash generated from / (used in) operations	(4,294)	1,615
Employee benefits paid	(876)	(438)
Net cash generated from / (used in) operating activities	(5,170)	1,177
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,087)	(44,246)
Investment in fixed deposits	(34,168)	-
Withdrawal of fixed deposits	-	26,963
Interest received	1,821	1,707
Net cash generated from / (used in) investing activities	(36,434)	(15,576)
Cash flows from financing activities		
Loans and borrowings obtained during the period	-	84,000
Loans and borrowings repaid during the period	(11,000)	(53,150)
Interest paid on loans and borrowings	(3,566)	(4,329)
Net cash generated from / (used in) financing activities	(14,566)	26,521
Net increase / (decrease) in cash and cash equivalents	(56,170)	12,122
Effect of exchange rate changes on cash and cash equivalents	4,308	2,380
Cash and cash equivalents at the beginning of the period	107,704	248,955
Cash and cash equivalents at the end of the period	55,842	263,457
Statement of cash and cash equivalents		
Placements with banking and financial institutions	26,073	227,789
Cash at bank and in hand	29,769	35,668
Cash and cash equivalents for the purpose of statement of cash flows	55,842	263,457

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 2026, 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, other than those disclosed in Note 7.1.

3. COMMITMENTS AND CONTINGENCIES

3.1 Capital commitments

The Company had capital commitments of Rs. 16,779,458/- 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 period 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 consisting of 42,210,470 Ordinary Shares.

7.1 Sub-Division of Existing Ordinary Shares

As disclosed to the Colombo Stock Exchange (CSE) on 21st July 2026, the Board of Directors resolved to recommend to shareholders a Sub-Division of the Company's Ordinary Shares. Under the proposed Sub-Division, every existing Ordinary Share (01 Share) will be subdivided into two (02) Ordinary Shares. Accordingly, the number of issued Ordinary Shares will increase from 42,210,470 to 84,420,940. The Company's Stated Capital will remain unchanged at Rs. 751,548,321.50. The proposed Sub-Division of shares received the concurrence of the CSE on 12th August 2026 and is subject to shareholder approval at an Extraordinary General Meeting.

8. RELATED PARTY TRANSACTIONS

For the three months ended 30th June	2026	2025
Fellow subsidiaries of Carson Cumberbatch PLC group		
Support service fees incurred	2,796	1,800
Providing hotel services	1,839	1,768
Purchases of goods	1,775	2,011

* As at the reporting date, the Company has obtained Letters of Comfort amounting to Rs.100,000,000/- (31st March 2026: 100,000,000/-) from its parent company, Carson Cumberbatch PLC for the bank facilities obtained.

9. TWENTY MAJOR SHAREHOLDERS AS AT 30TH JUNE 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 & Finance PLC/ C. Sathkumara	691,862	1.64
	Mr. C. Sathkumara	433,178	1.03
3	Mrs. V.R. Jayasinghe	265,152	0.63
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	Mr. P. R. Hettiwatta	58,252	0.14
9	Mrs. I. Gwyn (Deceased)	55,000	0.13
10	Archimedes Consultants (Pvt.) Ltd	53,180	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 30th June 2026	
Float adjusted Market Capitalization (Rs.)	162,412,381.21
Number of Public Shareholders	2,900
Percentage of ordinary shares held by the public	10.02%

Notes to the Interim Financial Statements

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

11. DIRECTORS SHAREHOLDING AS AT 30TH JUNE 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	-

MARKET PERFORMANCE- ORDINARY SHARES

12. SHARE VALUATION

As at/ for the three months ended 30th June 2026	Rs.
Last traded price per share	37.90
Highest price per share	43.50
Lowest price per share	36.00
Market capitalisation	1,620,882,048.00

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
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
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
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
REGISTERED OFFICE	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200
PLACE OF BUSINESS	Santha Maria Mawatha, Wattala, Sri Lanka. Tel : +94 11 2049 600
HOTEL WEBSITE	www.pegasusreefhotel.com
CORPORATE WEBSITE	www.carsoncumberbatch.com