

PEGASUS HOTELS OF CEYLON PLC

A Carson Cumberbatch Company

Condensed Interim Financial Statements
For the six months ended 30th September 2025

Pegasus Hotels of Ceylon PLC

Performance Review for the six months ended 30th September 2025

During the first half of FY2026, Sri Lanka's tourism sector sustained its recovery, recording an 18.2% year-on-year growth in arrivals driven by strong demand from India and Western Europe. While tourism conditions remained favourable, the industry fell short of monthly arrival targets amid competition and off-season challenges, prompting the SLTDA to revise its annual goal from 3.0 million to 2.6 million. At the same time, market conditions during the period continued to evolve, shaped by the growing competition from home and apartment stays, alongside heightened price pressures from Colombo-based operators.

Our hotel's performance during the period reflected a temporary dip in occupancy levels, primarily due to the ongoing refurbishment programme initiated to elevate the property's overall guest experience. As part of these upgrades, several rooms were temporarily taken out of operation, directly impacting available inventory. In addition, the main banquet hall was repurposed to accommodate restaurant operations while dining areas underwent renovation, slowing down the growth of the Wedding segment. Although these developments affected short-term performance, they form part of a strategic investment aimed at enhancing the hotel's facilities and long-term competitiveness. Within this setting, Pegasus Hotels Ceylon PLC posted a revenue of Rs. 403 Mn (Rs. 456 Mn 1H FY24) for the six months ended 30th September 2025.

Direct and overhead costs reduced in line with the reduced activity levels. Conversely, direct and indirect salary costs increased by Rs. 33.6 Mn YoY driven by market adjustments aimed at retaining and attracting suitable talent. Refurbishment related expenses of LKR 12.6 Mn were prudently charged to the Profit and Loss Statement reflecting a conservative approach to asset capitalization during the renovation period. Finance costs declined YoY largely as a result of reduced market interest rates and ongoing loan repayments during the period. The loss before tax for 1HFY26 amounted to Rs. 52.9 Mn compared to a loss before tax of Rs. 18.6 Mn in 1H FY25.

Overall, the outlook for the sector remains positive, with sustained demand indicating promising prospects for well-positioned operators. With the completion of refurbishment projects expected to enhance guest experience and operational efficiency, the hotel is well positioned to capture rising demand. The focus will remain on delivering exceptional value to guests while strengthening service standards and operational excellence across all touchpoints.

Carsons Management Services (Private) Limited

Managers

12th November 2025

Colombo

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 September			Six months ended 30th September		
	2025	2024	Change %	2025	2024	Change %
Revenue	227,584	243,063	(6)	402,813	456,001	(12)
Direct costs	(165,329)	(165,986)	-	(301,645)	(318,868)	(5)
Gross profit	62,255	77,077	(19)	101,168	137,133	(26)
Other income	1,233	1,022	21	2,593	2,016	29
Selling and promotional expenses	(12,628)	(20,102)	(37)	(23,280)	(31,990)	(27)
Administrative expenses	(73,507)	(60,526)	21	(140,527)	(119,878)	17
Profit/ (loss) from operations	(22,647)	(2,529)	795	(60,046)	(12,719)	372
Finance income	6,750	227	2,874	15,601	4,765	227
Finance costs	(4,128)	(5,308)	(22)	(8,506)	(10,632)	(20)
Net finance income/ (cost)	2,622	(5,081)	(152)	7,095	(5,867)	(221)
Profit/ (loss) before taxation	(20,025)	(7,610)	163	(52,951)	(18,586)	185
Income tax expenses	-	-	-	-	-	-
Deferred taxation	(13,220)	(441)	2,898	(5,056)	3,005	(268)
Profit/ (loss) for the period	(33,245)	(8,051)	313	(58,007)	(15,581)	272
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income/ (Expense) for the period	(33,245)	(8,051)	313	(58,007)	(15,581)	272
Earnings / (loss) per share (Rs.)	(0.79)	(0.19)		(1.37)	(0.37)	
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	30.09.2025	31.03.2025 [Audited]
ASSETS		
Non-current assets		
Property, plant and equipment	2,694,556	2,636,579
Compensation receivable	24,759	24,759
Total non-current assets	2,719,315	2,661,338
Current assets		
Inventories	37,929	38,386
Investment in fixed deposits	96,028	125,033
Trade and other receivables	122,825	125,850
Tax receivable	2,234	1,787
Cash and cash equivalents	170,170	248,955
Total current assets	429,186	540,011
Total assets	3,148,501	3,201,349
EQUITY AND LIABILITIES		
Equity		
Stated capital	751,549	751,549
Capital reserves	1,598,932	1,598,932
Revenue reserves	(235,674)	(177,667)
Total equity	2,114,807	2,172,814
Non-current liabilities		
Deferred tax liability	621,486	616,430
Employee benefits	28,984	27,982
Loans and borrowings	57,348	68,948
Total non-current liabilities	707,818	713,360
Current liabilities		
Trade and other payables	205,326	202,925
Loans and borrowings	120,550	112,250
Total current liabilities	325,876	315,175
Total liabilities	1,033,694	1,028,535
Total equity and liabilities	3,148,501	3,201,349
Net assets per share (Rs.)	50.10	51.48

The Statement of Financial Position as at 30th September 2025 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 2 to 5, 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.)

P.C. Pahalagamage

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 November 2025
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 period	-	-	(58,007)	(58,007)
Other Comprehensive Income for the period	-	-	-	-
Total Comprehensive Income / (Expense) for the period	-	-	(58,007)	(58,007)
Balance as at 30th September 2025	751,549	1,598,932	(235,674)	2,114,807
Balance as at 01st April 2024	751,549	1,598,932	(121,896)	2,228,585
Profit/ (Loss) for the period	-	-	(15,581)	(15,581)
Other Comprehensive Income for the period	-	-	-	-
Total Comprehensive Income / (Expense) for the period	-	-	(15,581)	(15,581)
Balance as at 30th September 2024	751,549	1,598,932	(137,477)	2,213,004

Figures in brackets indicate deductions.

Pegasus Hotels of Ceylon PLC

Statement of Cash Flows

(All figures are in Sri Lankan Rupees Thousands)

For the six months ended 30th September	2025	2024
Cash flows from operating activities		
Profit/ (loss) before taxation	(52,951)	(18,586)
Adjustments for:		
Interest income	(10,946)	(4,378)
Unrealised foreign exchange (gain) / loss	(3,299)	674
Interest expenses on loans and borrowings	8,506	9,958
Depreciation on property, plant and equipment	28,234	32,513
Loss on disposal of property, plant and equipment	150	-
Reversal of provision for impairment of trade receivables	(100)	(150)
Provision for employee benefits	1,440	1,440
Operating profit / (loss) before working capital changes	(28,966)	21,471
(Increase) / decrease in inventories	457	(4,104)
(Increase) / decrease in trade and other receivables	3,125	23,579
Increase / (decrease) in trade and other payables	2,512	26,278
Increase / (decrease) in amounts due to related companies	-	(14,038)
Cash generated from / (used in) operations	(22,872)	53,186
Employee benefits paid	(438)	-
Net cash generated from / (used in) operating activities	(23,310)	53,186
Cash flows from investing activities		
Purchase of property, plant and equipment	(86,514)	(15,480)
Proceeds from disposal of property, plant and equipment	-	77
Investment in fixed deposits	-	(44,014)
Withdrawal of fixed deposits	30,948	-
Interest received	8,556	4,126
Net cash generated from / (used in) investing activities	(47,010)	(55,291)
Cash flows from financing activities		
Loans and borrowings obtained during the period	134,000	90,000
Loans and borrowings repaid during the period	(137,300)	(96,080)
Interest paid on loans and borrowings	(8,464)	(10,181)
Net cash generated from / (used in) financing activities	(11,764)	(16,261)
Net increase / (decrease) in cash and cash equivalents	(82,084)	(18,366)
Effect of exchange rate changes on cash and cash equivalents	3,299	(674)
Cash and cash equivalents at the beginning of the period	248,955	59,404
Cash and cash equivalents at the end of the period	170,170	40,364
Statement of cash and cash equivalents		
Placements with banking and financial institutions	128,084	24,802
Cash at bank and in hand	42,086	15,562
Cash and cash equivalents for the purpose of statement of cash flows	170,170	40,364

Figures in brackets indicate deductions.

Pegasus Hotels of Ceylon PLC

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. 30,743,831/- as at the reporting date (31st March 2025: Nil).

3.2 Financial commitments

The Company does not have significant financial commitments as at the reporting date (31st March 2025: Nil).

3.3 Contingent liabilities

The Company does not have material contingent liabilities as at the reporting date other than disclosed below.

*An individual has appealed to the Supreme Court of Sri Lanka after having received a judgement against him in the Civil Appellate Court. This individual is claiming declaratory title as co-owner to 127.5 perches of land which falls within the 1,251 perches of land acquired by the Government for a fisheries harbour project. Since the crystallisation of the contingent liability is subject to this appeal, subsequent value determination of the claim by the Government valuer and a further appeal to the Land Acquisition Board of Review, the said contingent liability cannot be quantified.

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-arranged 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 its operations in 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.

Pegasus Hotels of Ceylon PLC

Notes to the Interim Financial Statements

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

8. RELATED PARTY TRANSACTIONS

For the six months ended 30th September	2025	2024
Fellow subsidiaries of Carson Cumberbatch PLC group		
Support service fees paid	3,600	2,901
Providing hotel services	2,192	5,462
Purchases of goods	4,029	4,349

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

9. TWENTY MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2025

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	556,702	1.32
Mr. C. Sathkumara	447,466	1.06
3 Estate of Late Mr. K.C. Vignarajah	262,055	0.62
4 Mrs. V.R. Jayasinghe	179,414	0.43
5 Miss. M. Z. F. Shafrina	76,125	0.18
6 Mr. P. Sri Skandarajah	70,351	0.17
7 Mr. K.C. Jayawardene	64,650	0.15
8 Mr. A.M. Weerasinghe	63,888	0.15
9 Mr. R.R. Vithanage	59,024	0.14
10 Mr. M.F.J. Macan Markar	59,000	0.14
11 Mr. P. R. Hettiwatta	55,352	0.13
12 Mrs. I. Gwyn	55,000	0.13
13 Mr. N. W. N. Jayasiri	53,800	0.13
14 Mr. R. H. A. P. Karunathilaka	50,000	0.12
15 Mrs. L.A. Jayasinghe	50,000	0.12
16 Mr. K. M. V. J. Senarathne	49,997	0.12
17 Mr. K.K.D. Senanayake	43,750	0.10
18 Mr. H.A.S Madanayake	40,000	0.09
19 Ms. R. C. Ranasinghe	36,276	0.09
20 Mr. B. U. M. De. S. Jayasinghe	30,744	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 September 2025

Float adjusted Market Capitalization (Rs.)	211,474,454.70
Number of Public Shareholders	2,924
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 SEPTEMBER 2025

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	-

MARKET PERFORMANCE- ORDINARY SHARES

12. SHARE VALUATION

As at/ for the three months ended 30th September 2025	Rs.
Last traded price per share	48.50
Highest price per share	51.90
Lowest price per share	32.00
Market capitalisation	2,110,523,500.00

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
AUDIT COMMITTEE	Mr. A. S. Amaratunga (Chairman) - Independent/ Non-Executive Mr. S. Marimuthu - Independent/ Non-Executive Mr. D. R. P. Goonetilleke - 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
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