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HIKKADUWA BEACH RESORT PLC

Interim Financial Statements
For the Quarter Ended 30 Jun 2026

Hikkaduwa Beach Resort PLC and Its Subsidiary

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			
	Quarter ended 30 June			Year Ended
	2026 Unaudited Rs.	2025 Unaudited Rs.	Variance %	31 March 2026 Unaudited Rs.
Revenue from contracts with customers	163,267,528	360,646,918	(55%)	1,878,722,846
Cost of Sales	(61,526,956)	(129,183,533)	(52%)	(580,890,824)
Gross Profit	101,740,572	231,463,385	(56%)	1,297,832,022
Other Income and Gains	7,858,529	768,782	922%	12,445,388
Administrative Expenses	(120,203,226)	(132,379,305)	(9%)	(618,639,608)
Other Operating Expenses	(138,589,617)	(113,674,579)	22%	(521,391,984)
Selling and Marketing Expenses	(5,557,842)	(13,387,072)	(58%)	(53,954,906)
Operating profit	(154,751,584)	(27,208,790)	(469%)	116,290,912
Finance Income	1,541,141	3,065,155	(50%)	7,124,469
Finance Costs	(88,135,251)	(79,513,269)	11%	(300,261,630)
Share of Profit of Investment in Associate	8,566,701	7,216,871	0%	40,696,164
Profit/(Loss) Before Tax	(232,778,993)	(96,440,033)	141%	(136,150,085)
Income Tax Expenses	-	(6,636,578)	(100%)	137,429,369
Profit/(Loss) for the period/ year	(232,778,993)	(103,076,611)	126%	1,279,284
Loss Attributable to;				
Equity Holders of the Parent	(153,806,351)	(71,658,919)	115%	84,020,142
Non-Controlling Interest	(78,972,642)	(31,417,692)	151%	(82,740,858)
	(232,778,993)	(103,076,611)		1,279,284
Other Comprehensive Income/ (Loss)				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Revaluation of land and building	-	-		261,598,679
Income tax effect on revaluation of land and buildings	-	-		(78,479,604)
Actuarial gain/ (loss) on defined benefit plan	-	-		(1,284,170)
Income tax effect on defined benefit plan	-	-		385,251
Share of other comprehensive income of associate	-	-		5,358,507
Total Other Comprehensive Income/ (Loss) for the period/ year, net of tax	-	-		187,578,663
Total Comprehensive Loss for the period/ year, net of tax	(232,778,993)	(103,076,611)	126%	188,857,947
Total Comprehensive Loss Attributable to;				
Equity Holders of the Parent	(153,806,351)	(71,658,919)	115%	200,435,055
Non-Controlling Interest	(78,972,642)	(31,417,692)	151%	(11,577,108)
	(232,778,993)	(103,076,611)		188,857,947
Profit/(Loss) per share - Basic (Rs.)	(0.28)	(0.13)		0.15

*Only the published numbers of share of associate profit/(loss) as at date has been considered.

Hikkaduwa Beach Resort PLC and Its Subsidiary

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company			
	Quarter ended 30 June			Year Ended
	2026 Unaudited Rs.	2025 Unaudited Rs.	Variance %	31 March 2026 Unaudited Rs.
Revenue from contracts with customers	35,133,223	120,746,539	(71%)	647,722,650
Cost of Sales	(13,602,000)	(41,807,034)	(67%)	(173,042,635)
Gross Profit	21,531,223	78,939,505	(73%)	474,680,015
Other Income and Gains	7,125,937	461,167	1445%	16,028,135
Administrative Expenses	(46,682,671)	(50,184,843)	(7%)	(225,261,538)
Other Operating Expenses	(34,282,952)	(31,335,647)	9%	(136,403,488)
Selling and Marketing Expenses	(2,979,411)	(7,210,881)	(59%)	(30,852,313)
Operating Profit	(55,287,874)	(9,330,699)	493%	98,190,811
Finance Income	12,233,131	10,581,752	16%	42,119,196
Finance Costs	(36,957,670)	(34,207,698)	8%	(130,030,588)
Share of Profit/ (Loss) of Investment in Associate *	8,566,701	7,216,871		40,696,164
Profit/ (Loss) Before Tax	(71,445,712)	(25,739,774)	178%	50,975,583
Income Tax Reversal / (Expenses)	-	(6,519,514)		136,732,983
Profit/ (Loss) for the period/ year	(71,445,712)	(32,259,288)	121%	187,708,566
Other Comprehensive Income/ (loss)				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Revaluation Gain on Land and Building	-	-		53,536,412
Income Tax effect on Revaluation of Land and Building	-	-		(16,060,924)
Actuarial Gain on Defined Benefit Plan	-	-		(908,320)
Income Tax effort on defined benefit plan	-	-		272,496
Share of other comprehensive income of associate	-	-		5,358,507
Total Other Comprehensive Income for the period/ year, net of tax	-	-		42,198,171
Total Comprehensive Income/ (Loss) for the period/ year, net of tax	(71,445,712)	(32,259,288)	121%	229,906,737
Profit/(Loss) per share - Basic (Rs.)	(0.13)	(0.06)		0.35

*Only the published numbers of share of associate profit/(loss) as at date has been considered.

Hikkaduwa Beach Resort PLC and Its Subsidiary

STATEMENT OF FINANCIAL POSITION

	Group		Company	
As at	**30 Jun 2026 Unaudited Rs.**	**31 Mar 2026 Unaudited Rs.**	**30 Jun 2026 Unaudited Rs.**	**31 Mar 2026 Unaudited Rs.**
ASSETS				
Non Current Assets				
Property, Plant & Equipment	7,284,729,884	7,260,569,267	1,692,019,430	1,646,721,319
Investment Properties	639,266,966	639,266,966	639,266,966	639,266,966
Right-of-use Assets	169,678,365	170,184,867	169,678,365	170,184,867
Investment In Associate	2,324,178,379	2,315,611,677	2,324,178,379	2,315,611,677
Investment in Subsidiary	-	-	1,907,939,435	1,907,939,435
Other receivables - related parties	-	-	411,186,982	411,186,983
	10,417,853,594	10,385,632,777	7,144,269,557	7,090,911,247
Current Assets				
Inventories	50,922,614	55,661,781	11,604,949	12,606,922
Trade and Other Receivables	40,416,963	142,708,316	225,197,595	146,063,233
Other Current Financial Assets	15,501,250	15,746,210	15,501,250	15,746,210
Tax Receivables	5,982,639	5,816,903	5,560,695	5,394,959
Advances and Prepayments	155,983,701	117,354,753	15,756,559	7,355,933
Cash and Bank Balances	58,306,266	57,562,488	8,606,466	15,433,597
	327,113,433	394,850,451	282,227,514	202,600,854
TOTAL ASSETS	10,744,967,027	10,780,483,228	7,426,497,071	7,293,512,101
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	5,526,201,686	5,526,201,686	5,526,201,686	5,526,201,686
Revaluation Reserve	2,387,455,533	2,387,455,533	708,075,904	708,075,903
Merger Reserve	332,134,791	332,134,791	332,134,791	332,134,791
Accumulated Losses	(3,672,903,435)	(3,519,097,085)	(1,184,702,913)	(1,113,257,200)
Equity attributable to equity holders of the pare	4,572,888,575	4,726,694,925	5,381,709,468	5,453,155,180
Non-controlling Interest	956,155,198	1,035,127,841	-	-
Total Equity	5,529,043,773	5,761,822,766	5,381,709,468	5,453,155,180
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	2,463,469,627	2,522,672,679	784,749,626	835,952,679
Retirement Benefit obligation	41,695,094	40,112,658	26,893,823	26,627,600
Deferred Tax Liability	1,232,118,941	1,232,118,943	267,957,497	267,957,499
Other Payables - Related Parties	115,930,110	115,930,109	115,930,109	115,930,109
	3,853,213,772	3,910,834,389	1,195,531,055	1,246,467,887
Current Liabilities				
Trade and Other Payables	995,494,144	736,189,561	597,940,998	343,078,835
Interest Bearing Loans and Borrowings	352,615,456	350,775,456	244,892,069	233,904,079
Contract Liabilities	14,599,882	20,861,056	6,423,481	16,906,120
	1,362,709,482	1,107,826,073	849,256,548	593,889,034
TOTAL EQUITY & LIABILITIES	10,744,967,027	10,780,483,228	7,426,497,071	7,293,512,101

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Sgd.

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Kaushika Ranasinghe
Group Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,

Sgd.

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P. C. B. Talwatte
Director/ Group CEO

Sgd.

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P. L. P. Withana
Director

12 Aug 2026
Colombo

Hikkaduwa Beach Resort PLC and Its Subsidiary

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Equity holders of the Parent					Non-Controlling Interest	Total
	Stated Capital	Revaluation Reserve	Merger Reserve	Retained Earnings	Total		
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Balance as at 01 April 2025	5,526,201,686	2,261,461,782	332,134,791	(3,752,534,528)	4,367,263,731	949,593,370	5,316,857,101
Loss for the period	-	-	-	(71,658,919)	(71,658,919)	(31,417,692)	(103,076,611)
Total Comprehensive Income , Net of Tax	**-**	**-**	**-**	**(71,658,919)**	**(71,658,919)**	**(31,417,692)**	**(103,076,611)**
Balance as at 30 June 2025 (Unauidted)	**5,526,201,686**	**2,261,461,782**	**332,134,791**	**(3,824,193,447)**	**4,295,604,812**	**918,175,678**	**5,213,780,490**
Balance as at 01 April 2026	5,526,201,686	2,387,455,533	332,134,791	(3,519,097,084)	4,726,694,926	1,035,127,840	5,761,822,766
Profit/(Loss) for the period	-	-	-	(153,806,351)	(153,806,351)	(78,972,642)	(232,778,993)
Total Comprehensive Income , Net of Tax	**-**	**-**	**-**	**(153,806,351)**	**(153,806,351)**	**(78,972,642)**	**(232,778,993)**
Balance as at 30 June 2026 (Unauidted)	**5,526,201,686**	**2,387,455,533**	**332,134,791**	**(3,672,903,435)**	**4,572,888,575**	**956,155,198**	**5,529,043,773**

COMPANY	Stated Capital Rs.	Revaluation Reserves Rs.	Merger Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2025	5,526,201,686	663,925,533	332,134,791	(1,463,597,730)	5,058,664,280
Total comprehensive Profit / Loss for the period, net of tax	-	-	-	(32,259,288)	(32,259,288)
Balance as at 30 June 2025 (Unauidted)	**5,526,201,686**	**663,925,533**	**332,134,791**	**(1,495,857,018)**	**5,026,404,992**
Balance as at 01 April 2026	5,526,201,686	708,075,904	332,134,791	(1,113,257,201)	5,453,155,180
Total comprehensive Profit / Loss for the period, net of tax	-	-	-	(71,445,712)	(71,445,712)
Balance as at 30 June 2026 (Unauidted)	**5,526,201,686**	**708,075,904**	**332,134,791**	**(1,184,702,913)**	**5,381,709,468**

Note - The Above figures are not Audited

Hikkaduwa Beach Resort PLC and Its Subsidiary

STATEMENT OF CASH FLOW

	Group Period Ended 30 June		Company Period Ended 30 June	
	2026 Unaudited Rs.	2025 Unaudited Rs.	2026 Unaudited Rs.	2025 Unaudited Rs.
Cash flows from/(used in) operating activities				
Loss before income tax expense	(232,778,993)	(96,440,033)	(71,445,712)	(25,739,774)
Adjustments for :				
Depreciation	42,426,459	45,412,791	9,296,564	9,815,949
Provision for defined benefit plans	2,257,796	1,498,052	941,583	900,000
Depreciation of right-of-use assets	506,502	506,502	506,502	506,502
Finance income	(673,691)	(2,204,683)	(11,365,681)	(9,721,280)
Finance costs	88,135,251	79,513,269	36,957,670	34,207,698
Dividend Income	(1,112,410)	(860,472)	(1,112,410)	(860,472)
Fair value (gain)/ loss on financial assets at fair value	244,960	(410,310)	244,960	(410,310)
(Gain)/ loss on disposal of property plant & equipment	(4,344,985)	-	(4,344,985)	-
Impairment of trade receivables	84,373	(521,906)	84,373	-
Share of (profit)/ loss from investment in associate	(8,566,701)	(7,216,871)	(8,566,701)	(7,216,871)
Operating profit/ (loss) before working capital changes	(113,821,439)	19,276,339	(48,803,837)	1,481,442
(Increase)/ decrease in inventories	4,739,166	772,032	1,001,972	(1,093,497)
(Increase)/ decrease in trade and other receivables	102,206,980	225,101,998	(79,218,734)	100,417,083
(Increase)/ decrease in advances and prepayments	(38,628,949)	(66,421,041)	(8,400,626)	(4,662,688)
Increase/ (decrease) in contract liabilities	(6,261,173)	(61,272,065)	(10,482,638)	(67,196,630)
Increase/ (decrease) in trade and other payables	259,304,586	7,971,111	254,862,160	1,173,908
Cash flow from/ (used) in operations	207,539,171	125,428,374	108,958,297	30,119,619
Finance cost paid	(80,294,495)	(79,513,269)	(29,116,905)	(27,994,808)
Defined benefit plan cost paid	(675,360)	(1,880,387)	(675,360)	(1,116,702)
Net cash flow from/ (used) in operating activities	126,569,316	44,034,718	79,166,032	1,008,108
Cash flows from/(used in) investing activities				
Acquisition of property, plant and equipment	(67,619,858)	(4,376,613)	(55,627,462)	(105,134)
Proceeds from sale of fixed assets	5,377,771	-	5,377,771	-
Dividend received	946,674	860,472	946,674	860,472
Finance income received	4,895	2,204,683	4,895	1,220,130
Net cash flow used in investing activities	(61,290,518)	(1,311,458)	(49,298,122)	1,975,468
Cash flows from/(used in) financing activities				
Repayment of interest bearing loans and borrowings	(51,662,137)	(80,790,993)	(43,662,137)	(42,070,993)
Net Finance from/ (to) related parties	(7,171,968)	(9,680,253)	3,520,022	(29,391,993)
Net cash flows from/ (used in) financing activities	(58,834,105)	(90,471,246)	(40,142,115)	(71,462,986)
Net increase / (decrease) in cash and cash equivalents	6,444,693	(47,747,986)	(10,274,205)	(68,479,410)
Cash and cash equivalents at the beginning of the period	(12,212,398)	(55,749,472)	(5,469,912)	23,642,321
Cash and cash equivalents at the end of the period (note A)	(5,767,705)	(103,497,458)	(15,744,117)	(44,837,092)
Note A				
Analysis of Cash and cash equivalents				
Cash and Bank Balances	58,306,266	55,021,131	8,606,466	21,015,974
Short term deposits with original maturity less than three months	-	31,881,258	-	-
Bank Overdrafts	(64,073,971)	(190,399,847)	(24,350,583)	(65,853,066)
Total cash and cash equivalents	(5,767,705)	(103,497,458)	(15,744,117)	(44,837,092)

1 Corporate Information

Hikkaduwa Beach Resort PLC, is a public limited liability company incorporated and domiciled in Sri Lanka listed on the Colombo Stock Exchange.

2 Interim Condensed Financial Statements

The financial statements for the quarter ended 30 June 2026 includes "the Company" referring to Hikkaduwa Beach Resort PLC as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

3 Approval of Financial Statements

The interim condensed financial statements of the Group and the Company for the quarter ended 30 June 2026 were authorised for issue by the Board of Directors on 12 August 2026.

4 Basis of preparation and Group's accounting policies

The interim condensed consolidated financial statements for the quarter ended 30 June 2026 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2026.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

5 Events Subsequent to the Reporting Date

There have been no events subsequent to the reporting date, which require disclosure in the interim condensed financial statements.

6 Contingencies

There has been no significant change in the nature of the contingent liabilities of the Group and the Company since 31 March 2026.

7 Deferred Tax

The Company reviewed the deferred tax position during the quarter and have appropriately adjusted amounts to reflect the position as of the period end.

8 Share information

8.1 Basic Profit / (Loss) Per Share (Rs.)

	Quarter Ended 30 June	
	2026	**2025**
Group	(0.28)	(0.13)
Company	(0.13)	(0.06)

8.2 Net Assets Per Share (Rs.)

	As at	As at
	2026	**2025**
Group	8.43	7.92
Company	9.92	9.32

8.3 Market Price Per Share (Rs.)

	Quarter Ended 30 June 2026		Quarter Ended 30 June 2025	
	Date	**Price (Rs.)**	**Date**	**Price (Rs.)**
Highest	21.04.2026	7.20	30.06.2025	3.50
Lowest	07.04.2026	3.60	23.06.2025	3.00
Last Traded	30.06.2026	5.20	30.06.2025	3.40

8.4 Stated Capital

Stated capital is represented by the number of shares in issue as given below:

As at	30 Jun 2026		31 Mar 2026	
Issued and fully-paid - ordinary shares	**Number**	**Rs.**	**Number**	**Rs.**
As at beginning of the year	542,663,531	5,526,201,689	542,663,531	5,526,201,689
Issue of shares	-	-	-	-
As at end of the year/ period	542,663,531	5,526,201,689	542,663,531	5,526,201,689

8.5 The percentage of the shares held by public as at 30 June 2026 is 36.08% (30 June 2025 was 24.56%) and the number of public shareholders was 4,409 (As at 30 June 2025 was 3,505).

The Float Adjusted Market Capitalisation of the Company as at 30 June 2026 is Rs. 1,018,094,376/- and the Company complies with the minimum public holding requirement under Option 2 of the Listing Rules 7.13.1 (i) (b).

8.6 The number of shares held by the Board of Directors and CEO are as follows,

Director Name	As at 30 Jun 2026	As at 30 Jun 2025
Mr. S. A. Ameresekere	-	-
Seylan Bank PLC/ Mr. R. Seneviratne	212,749	212,749
Mr. S. M. A. D. S Sugathapala	464,394	464,394
Mr. P. L. P Withana	-	-
Mr. P. N Mahawatte	-	-
Mr. S. P. S. Ranatunge	-	-
Director/ Group Chief Executive Officer		
Mr. P.C.B. Talwatte	9,523	9,523

8.7 Twenty Largest Ordinary Shareholders of the Company as follows;

Serial No.	Shareholder	As at 30 Jun 2026	
		No of Shares	%
1	Citrus Leisure PLC	346,164,134	63.79%
2	Mr. K.V. Hewavitarne	30,500,000	5.62%
3	Mr. T.G. Thoradeniya	4,080,156	0.75%
4	Seylan Bank PLC/Weththinge Jinadasa	3,990,601	0.74%
5	Mrs. K.M. Goonewardene	3,647,054	0.67%
6	Mr. A. Lukmanjee	2,858,836	0.53%
7	Mr. K.S.N. Hirdaramani	2,777,289	0.51%
8	Citizens Development Business Finance PLC/F.H.T.C.Silva	2,517,510	0.46%
9	Senkadagala Finance PLC/S.Gobinath	2,500,000	0.46%
10	Seylan Bank PLC/Anuja Chamila Jayasinghe	2,453,844	0.45%
11	Mr. W.A. Dharmathilaka	2,350,000	0.43%
12	Citizens Development Business Finance PLC/S.Vasudevan	2,341,351	0.43%
13	Emarketingeye (Pvt) Ltd	2,285,181	0.42%
14	Mrs. P.A.K.D. Jeevanthi	2,200,000	0.41%
15	Dialog Finance PLC/S.D.M. Hemajith & R.A.N. Udani	2,100,000	0.39%
16	Citizens Development Business Finance Account No. 02	2,090,002	0.39%
17	Hatton National Bank PLC/Weththinge Jinadasa	2,000,000	0.37%
18	Mr. U.G.J. Chaminda	1,957,293	0.36%
19	Mr. C. Yatawara	1,622,464	0.30%
20	Mr. R.E. Rambukwelle	1,570,000	0.29%
	Sub Total	**422,005,715**	**77.77%**
	Others	**120,657,816**	**22.23%**
	Total	**542,663,531**	**100.00%**