SENTIDO

HERITANCE NEGOMBO

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Browns Beach Hotels PLC

Interim Financial Statement - 3rd Quarter

(For the Nine Months ended 31st December 2025)

Consolidated Income Statement

	Quarter ended 31st December		Nine months ended 31st December	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	**500,279**	377,704	**1,264,201**	985,525
Revenue taxes	**(8,534)**	(6,788)	**(19,584)**	(16,864)
Net revenue	**491,745**	370,916	**1,244,617**	968,661
Other income / (expenses)	**10,229**	(9,257)	**22,322**	(10,581)
Staff cost	**(78,047)**	(58,047)	**(216,770)**	(177,028)
Depreciation	**(55,226)**	(53,896)	**(165,678)**	(161,689)
Amortisation	**(78)**	(78)	**(233)**	(233)
Other operating expenses - Direct	**(70,293)**	(61,569)	**(185,649)**	(164,936)
Other operating expenses - Indirect	**(170,224)**	(119,980)	**(442,124)**	(385,076)
Profit from operations	**128,106**	68,089	**256,485**	69,118
Finance income	**4,432**	3,772	**12,703**	11,810
Finance expenses	**(66,594)**	(81,495)	**(203,190)**	(256,793)
Net finance expense	**(62,162)**	(77,723)	**(190,487)**	(244,983)
Profit/(loss) before taxation	**65,944**	(9,634)	**65,998**	(175,865)
Income tax expense	**(20,292)**	(20,187)	**(60,876)**	(60,887)
Profit/(loss) for the period	**45,652**	(29,821)	**5,122**	(236,752)
Attributable to:				
Equity holders of the parent company	**45,652**	(29,821)	**5,122**	(236,752)
Non-controlling interest	**-**	-	**-**	-
Profit/(loss) for the period	**45,652**	(29,821)	**5,122**	(236,752)
Earnings/(loss) per share for the period (Rs.) (Basic / diluted)	**0.35**	(0.23)	**0.04**	(1.83)

The above figures are provisional and subject to audit.

Company Income Statement

	Quarter ended 31st December		Nine months ended 31st December	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	-	-	-	-
Other income	3,952	3,539	11,924	11,310
Staff costs	(750)	(750)	(2,447)	(2,430)
Amortisation	(78)	(78)	(233)	(233)
Other operating expenses - Direct	-	-	-	-
Other operating expenses - Indirect	(3,319)	(2,183)	(8,869)	(6,783)
Profit / (loss) from operations	(195)	528	375	1,864
Finance income	-	-	-	-
Finance expenses	(496)	(586)	(1,444)	(1,705)
Net finance expense	(496)	(586)	(1,444)	(1,705)
Profit / (loss) before taxation	(691)	(58)	(1,069)	159
Income tax expense	-	-	-	-
Profit / (loss) for the period	(691)	(58)	(1,069)	159
Earnings (loss) per share for the period (Rs.) (Basic / diluted)	(0.01)	(0.00)	(0.01)	0.00

The above figures are provisional and subject to audit.

Statement of Profit or Loss and Other Comprehensive Income - Group

	Quarter ended 31st December		Nine months ended 31st December	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Profit / (loss) for the period	45,652	(29,821)	5,122	(236,752)
Other comprehensive income				
Net change in fair value of FVOCI financial assets	-	-	-	-
Actuarial gains/(losses) on defined benefit obligations	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
Total comprehensive Income / (loss) for the period	45,652	(29,821)	5,122	(236,752)
Attributable to:				
Equity holders of the parent company	45,652	(29,821)	5,122	(236,752)
Non -controlling interests	-	-	-	-
Total comprehensive Income / (loss) for the period	45,652	(29,821)	5,122	(236,752)

Statement of Profit or Loss and Other Comprehensive Income - Company

	Quarter ended 31st December		Nine months ended 31st December	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Profit /(loss) for the period	(691)	(58)	(1,069)	159
Other comprehensive income	-	-	-	-
Net change in fair value of FVOCI financial assets	-	-	-	-
Total comprehensive income / (loss) for the period	(691)	(58)	(1,069)	159

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	31.12.2025 Rs.'000	31.12.2024 Rs. '000	31.03.2025 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	4,357,539	4,433,600	4,505,321
Right of use asset	1,275	1,588	1,511
	4,358,814	4,435,188	4,506,832
Current assets			
Inventories	47,554	43,867	38,833
Trade and other receivables	108,815	63,623	178,918
Deposits and prepayments	44,560	32,021	27,558
Amount due from related parties	13,562	31,574	31,827
Cash and cash equivalent	584,322	364,735	346,461
	798,813	535,820	623,597
TOTAL ASSETS	5,157,627	4,971,008	5,130,429
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	2,383,449	2,383,449	2,383,449
Revaluation reserve	1,115,851	1,054,307	1,115,851
General reserve	10,000	10,000	10,000
Retained earnings	(4,253,908)	(4,340,952)	(4,259,030)
	(744,608)	(893,196)	(749,730)
Non controlling interest	-	-	-
Total Equity	(744,608)	(893,196)	(749,730)
Non-current liabilities			
Interest bearing loans and borrowings	3,885,033	3,949,105	3,879,187
Leases liabilities	15,575	16,738	14,131
Deferred tax liability	903,036	793,781	842,160
Employee benefits	19,243	15,495	17,661
	4,822,887	4,775,119	4,753,139
Current liabilities			
Trade and other payables	258,959	233,301	198,136
Amount due to related companies	98,846	54,235	67,676
Interest bearing loans and borrowings	254,171	167,231	211,351
Leases liabilities	5,511	5,511	5,511
Income tax payable	7,438	7,436	7,436
Short term bank borrowings	454,423	621,371	636,910
	1,079,348	1,089,085	1,127,020
Total liabilities	5,902,235	5,864,204	5,880,159
TOTAL EQUITY AND LIABILITIES	5,157,627	4,971,008	5,130,429
Net asset value per share (Rs.)	(5.75)	(6.89)	(5.78)

The above figures are provisional and subject to audit.

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

sgd.
Evan Ranasinghe
Head of Finance - Sri Lanka Hotels

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

sgd.
Ms. D. S. T. Jayawardena
Executive Chairperson

sgd.
Dr. M.P. Dissanayake
Executive Director

Colombo
11th February 2026

Company Statement of Financial Position

As at	31.12.2025 Rs.'000	31.12.2024 Rs. '000	31.03.2025 Rs. '000
ASSETS			
Non-current assets			
Investment property	1,187,920	1,100,000	1,187,920
Right of use asset	1,275	1,588	1,511
Investment in subsidiaries	2,530,168	2,530,168	2,530,168
	3,719,363	3,631,756	3,719,599
Current assets			
Other receivables	168,142	152,305	156,217
Cash and cash equivalent	90	-	140
	168,232	152,305	156,357
TOTAL ASSETS	3,887,595	3,784,061	3,875,956
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	2,383,449	2,383,449	2,383,449
Revaluation reserve	840,807	840,807	840,807
General reserve	10,000	10,000	10,000
Retained earnings	528,351	467,931	529,420
Total equity	3,762,607	3,702,187	3,763,676
Non-current liabilities			
Lease liabilities	15,575	16,738	14,131
Deferred tax liability	56,376	30,000	56,376
	71,951	46,738	70,507
Current liabilities			
Other payables	1,029	937	1,089
Amount due to related parties	45,947	26,570	34,623
Lease liabilities	5,511	5,511	5,511
Income tax payable	550	550	550
Short Term Bank Borrowings	-	1,568	-
	53,037	35,136	41,773
Total liabilities	124,988	81,874	112,280
TOTAL EQUITY AND LIABILITIES	3,887,595	3,784,061	3,875,956
Net asset value per share (Rs.)	29.03	28.57	29.04

The above figures are provisional and subject to audit.

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

sgd.
Evan Ranasinghe
Head of Finance - Sri Lanka Hotels

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

sgd.
Ms. D. S. T. Jayawardena
Executive Chairperson

sgd.
Dr. M.P. Dissanayake
Executive Director

Colombo
11th February 2026

Statement of Changes in Equity

Group

For the nine months ended 31st December

	.....Attributable to the Equity Holders of the parent.....						
	Stated Capital	Revaluation Reserve	General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024	2,383,449	1,054,307	10,000	(4,104,200)	(656,444)	-	(656,444)
Net loss for the period				(236,752)	(236,752)		(236,752)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(236,752)**	**(236,752)**	**-**	**(236,752)**
Balance as at 31st December 2024	**2,383,449**	**1,054,307**	**10,000**	**(4,340,952)**	**(893,196)**	**-**	**(893,196)**
Balance as at 01st April 2025	2,383,449	1,115,851	10,000	(4,259,030)	(749,730)	-	(749,730)
Net profit for the period	-	-	-	5,122	5,122	-	5,122
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**5,122**	**5,122**	**-**	**5,122**
Balance as at 31st December 2025	**2,383,449**	**1,115,851**	**10,000**	**(4,253,908)**	**(744,608)**	**-**	**(744,608)**

Company

For the nine months ended 31st December

	Stated Capital	Revaluation Reserve	General Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024	2,383,449	840,807	10,000	467,772	3,702,028
Net profit for the period	-	-	-	159	159
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**159**	**159**
Balance as at 31st December 2024	**2,383,449**	**840,807**	**10,000**	**467,931**	**3,702,187**
Balance as at 01st April 2025	2,383,449	840,807	10,000	529,420	3,763,676
Net loss for the period	-	-	-	(1,069)	(1,069)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,069)**	**(1,069)**
Balance as at 31st December 2025	**2,383,449**	**840,807**	**10,000**	**528,351**	**3,762,607**

The above figures are provisional and subject to audit.

Statement of Cash Flows

For the nine months ended	Group		Company	
	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000
Profit/(loss) before taxation	65,998	(175,865)	(1,069)	159
Adjustment for,				
Depreciation on property, plant and equipment	165,678	161,689	-	-
Amortisation of ROU assets	233	233	233	233
Interest income	(12,703)	(11,810)	-	-
Interest expense	203,190	256,793	1,444	1,705
Provision for retiring benefit obligations	2,146	2,146	-	-
Impairment of trade and other receivables	(769)	(2)	-	-
Operating profit before working capital changes	423,773	233,184	608	2,097
Changes in;				
Inventories	(8,720)	(5,803)	-	-
Trade and other receivables	70,874	74,100	(11,923)	(13,015)
Deposits and prepayments	(17,001)	3,493	-	-
Amount due from related companies	18,266	14,167	-	-
Trade and other payables	55,678	(69,816)	(59)	1,267
Amount due to related companies	31,170	24,342	11,324	6,317
Cash generated from / (used in) operations	574,040	273,667	(50)	(3,334)
Interest expense paid	(145,952)	(167,601)	-	-
Retiring Gratuity Paid	(563)	(650)	-	-
Income tax paid	-	-	-	(151)
Net cash generated from / (used in) operating activities	427,525	105,416	(50)	(3,485)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(17,897)	(10,074)	-	-
Interest income received	12,703	11,810	-	-
Net cash flow generated from / (used in) investing activities	(5,194)	1,736	-	-
Cash flow from financing activities				
Fund Received from Related Parties	150,000	-	-	-
Repayment of interest bearing loans and borrowings	(151,983)	(201,823)	-	-
Net cash flow used in financing activities	(1,983)	(201,823)	-	-
Net increase / (decrease) in cash & cash equivalents	420,348	(94,671)	(50)	(3,485)
Cash and cash equivalents as at the beginning of the period	(290,449)	(161,965)	140	1,917
Cash and cash equivalents as at the end of the period	129,899	(256,636)	90	(1,568)
Analysis of cash and cash equivalents at the end of the period				
Cash at bank and in hand	584,322	364,735	90	-
Short term bank borrowings	(454,423)	(621,371)	-	(1,568)
	129,899	(256,636)	90	(1,568)

The above figures are provisional and subject to audit.

Notes to Interim Financial Statements

1. The Financial Statements of the company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited Financial Statements and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.

2. There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.

3. During the period under review there were no material change in the nature of contingent liabilities disclosed in the annual report for the year ended 31st March 2025.

4. There were no material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.

5. Browns Beach Hotel ceased its operations on 31st March 2011 to facilitate the construction of a new resort. The new hotel construction was done under, Negombo Beach Resort (Pvt) Ltd, which is a fully owned subsidiary of Brown Beach Hotels PLC

6. Negombo Beach Resort (Pvt) Ltd, (Heritance Negombo) commenced its commercial operations on 2nd April 2016.

Investor Information

1. Share Information

	Period ended	
	31.12.2025 Rs. Cts.	31.12.2024 Rs. Cts.
Market price per share		
Highest	**28.10**	20.50
Lowest	**21.50**	13.20
Last traded	**25.10**	18.70
Closing Price	**25.10**	18.80
Number of shares represented by the stated capital	**129,600,000**	129,600,000

2. The float adjusted market capitalisation as at 31st December 2025 was Rs. 303,891,105.00/-

   The percentage of shares held by the public as at 31st December 2025 was 9.09% and the number of public shareholders as at 31st December 2025 were 2,674.

3. The Company is not compliant with Rule 7.13.1(i) (a) of the listing rules of the Colombo Stock Exchange on minimum public holding.

4. The numbers of shares held by the directors as at 31st December 2025.

	Name of Director	**Position**	**No of Shares 31.12.2025**	No of Shares 31.12.2024
1.	Ms. D. S. T. Jayawardena	Executive Chairperson	-	-
2.	Dr. M.P. Dissanayake	Director	-	-
3.	Mr. C.M.S. Jayawickrama	Director	-	-
4.	Mr. C.R. Stanislaus	Director	-	-
5.	Mr. J.M.S. Brito	Director	-	-
6.	Mr. R.N. Asirwatham (Deceased on 12.12.2025)	Director	-	-
7.	Mr. N. J. de S. Deva Aditya	Director	-	-
8.	Mr. M. R. Mihular	Director	-	-
9.	Dr. R. A. Fernando	Director	-	-
10.	Mr. P. Englisch	Director	-	-

5. Twenty largest shareholders as at 31st December 2025

	Name of the Shareholder	**No of Shares**	**%**
1.	MELSTACORP PLC	**54,273,234**	**41.88**
2.	AITKEN SPENCE HOTEL HOLDINGS PLC	**47,455,750**	**36.62**
3.	STASSEN EXPORTS (PVT) LIMITED	**12,730,620**	**9.82**
4.	LANKA MILK FOODS (CWE) LIMITED	**1,251,558**	**0.97**
5.	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	**768,960**	**0.59**
6.	MR. M.D.K. PERERA	**576,765**	**0.45**
7.	MRS. V.R. JAYASINGHE	**531,078**	**0.41**
8.	AITKEN SPENCE HOTELS LTD.	**432,459**	**0.33**
9.	HERITANCE (PRIVATE) LIMITED	**432,444**	**0.33**
10.	MR. D.R. PONNAMPERUMA	**400,000**	**0.31**
11.	MERCHANT BANK OF SRI LANKA LTD/C. SATHKUMARA	**354,220**	**0.27**
12.	PEOPLE S LEASING AND FINANCE PLC/SADAHARITHA CAPITAL TRUST LIMITED	**350,557**	**0.27**
13.	MR. S.D. WEVELDENIYA	**345,306**	**0.27**
14.	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS. G. SOYSA	**340,347**	**0.26**
15.	KANDALAMA HOTELS LTD.	**306,450**	**0.24**
16.	HATTON NATIONAL BANK PLC/ARUNASALAM SITHAMPALAM	**274,630**	**0.21**
17.	MRS. C.S. SILVAPULLE	**262,968**	**0.20**
18.	MR. S.N.C.W.M.B.C. KANDEGEDARA	**200,000**	**0.15**
19.	COMMERCIAL BANK OF CEYLON PLC/D.RAMACHANDRAN	**200,000**	**0.15**
20.	MES B.G. EXE STAFF PROVIDENT ASSO.	**182,520**	**0.14**
		121,669,866	**93.87**

Corporate Information

Directors

Ms. D.S.T. Jayawardena - Executive Chairperson
Dr. M.P. Dissanayake
Mr. C.M.S. Jayawickrama
Mr. C.R. Stanislaus
Mr. J.M.S. Brito
Mr. R.N. Asirwatham (Deceased – 12.12.2025)
Mr. N.J. de Silva Deva Aditya
Mr. M.R. Mihular
Dr. R.A. Fernando
Mr. P. Englisch

Legal Form

A Public Quoted Company with limited liability,
incorporated in Sri Lanka on 4th August 1992

Company registration Number

PQ 202

Subsidiary Company

Negombo Beach Resorts (Private) Limited

Secretaries

Aitken Spence Corporate Services (Private) Limited
No 315, Vauxhall Street,
Colombo 02,
Sri Lanka.
Tel: (+94) 11 2308308
Fax: (+94) 11 2445406

Registrars

Central Depository Systems (Private) Limited
Ground Floor, M & M Centre,
No. 341/5, Kotte Road,
Rajagiriya,
Sri Lanka.
Tel: (+94) 11 2356456
Fax: (+94) 11 2440396

Registered Address

No 315, Vauxhall Street,
Colombo 02,
Sri Lanka.
Tel: (+94) 11 2308308