SENTIDO

HERITANCE NEGOMBO

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Browns Beach Hotels PLC

Interim Financial Statement - 4th Quarter

(For the Year ended 31st March 2026)

Consolidated Income Statement

	Quarter ended 31st March		Year ended 31st March	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Unaudited	Audited	Unaudited	Audited
Revenue	**590,096**	534,049	**1,854,297**	1,519,574
Revenue taxes	**(10,206)**	(9,812)	**(29,790)**	(26,676)
Net revenue	**579,890**	524,237	**1,824,507**	1,492,898
Other (expenses) / income	**11,113**	4,001	**33,435**	(6,580)
Staff cost	**(78,377)**	(64,672)	**(295,147)**	(241,700)
Depreciation	**(56,133)**	(59,215)	**(221,811)**	(220,904)
Amortisation	**(79)**	(79)	**(312)**	(312)
Other operating expenses - Direct	**(76,129)**	(73,542)	**(261,778)**	(238,478)
Other operating expenses - Indirect	**(192,983)**	(156,655)	**(635,107)**	(541,731)
Profit from operations	**187,302**	174,075	**443,787**	243,193
Finance income	**5,168**	3,082	**17,871**	14,892
Finance expenses	**(66,458)**	(72,311)	**(269,648)**	(329,104)
Net finance expense	**(61,290)**	(69,229)	**(251,777)**	(314,212)
Profit / (loss) before taxation	**126,012**	104,846	**192,010**	(71,019)
Income tax expense	**(17,121)**	(22,003)	**(77,997)**	(82,890)
Profit / (loss) for the period	**108,891**	82,843	**114,013**	(153,909)
Attributable to:				
Equity holders of the parent company	**108,891**	82,843	**114,013**	(153,909)
Non-controlling interest	**-**	-	**-**	-
Profit / (loss) for the period	**108,891**	82,843	**114,013**	(153,909)
Earnings / (loss) per share for the period (Rs.) (Basic / diluted)	**0.84**	0.64	**0.88**	(1.19)

Company Income Statement

	Quarter ended 31st March		Year ended 31st March	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Unaudited	Audited	Unaudited	Audited
Revenue	-	-	-	-
Other income	956,284	91,833	968,208	103,143
Staff costs	(75)	(66)	(2,522)	(2,496)
Amortization	(79)	(79)	(312)	(312)
Other operating expenses - Direct	-	-	-	-
Other operating expenses - Indirect	(2,365)	(3,320)	(11,234)	(10,103)
Profit from operations	953,765	88,368	954,140	90,232
Finance income	-	-	-	-
Finance expenses	(410)	(503)	(1,854)	(2,208)
Net finance expense	(410)	(503)	(1,854)	(2,208)
Profit before taxation	953,355	87,865	952,286	88,024
Income tax expense	(285,171)	(26,376)	(285,171)	(26,376)
Profit for the period	668,184	61,489	667,115	61,648
Earnings (loss) per share for the period (Rs.) (Basic / diluted)	5.16	0.47	5.15	0.48

Statement of Profit or Loss and Other Comprehensive Income - Group

	Quarter ended 31st March		Year ended 31st March	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Unaudited	Audited	Unaudited	Audited
Profit / (loss) for the period	108,891	82,843	114,013	(153,909)
Other comprehensive income				
Revaluation of property, plant and equipment	952,405	87,920	952,405	87,920
Actuarial losses on defined benefit obligations	(828)	(921)	(828)	(921)
Income tax on other comprehensive income	(285,722)	(26,376)	(285,722)	(26,376)
Other comprehensive income for the period	665,855	60,623	665,855	60,623
Total comprehensive income / (loss) for the period	774,746	143,466	779,868	(93,286)
Attributable to:				
Equity holders of the parent company	774,746	143,466	779,868	(93,286)
Non -controlling interests	-	-	-	-
Total comprehensive income / (loss) for the period	774,746	143,466	779,868	(93,286)

Statement of Profit or Loss and Other Comprehensive Income - Company

	Quarter ended 31st March		Year ended 31st March	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Unaudited	Audited	Unaudited	Audited
Profit for the period	668,184	61,489	667,115	61,648
Other comprehensive income	-	-	-	-
Net change in fair value of FVOCI financial assets	-	-	-	-
Total comprehensive income for the period	668,184	61,489	667,115	61,648

Consolidated Statement of Financial Position

As at	31.03.2026 Rs. '000 Unaudited	31.03.2025 Rs. '000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	5,261,983	4,505,321
Right of use asset	1,199	1,511
	5,263,182	4,506,832
Current assets		
Inventories	43,742	38,833
Trade and other receivables	108,001	178,918
Deposits and prepayments	54,973	27,558
Amount due from related parties	22,482	31,827
Cash and cash equivalent	546,988	346,461
	776,186	623,597
TOTAL ASSETS	6,039,368	5,130,429
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	2,383,449	2,383,449
Revaluation reserve	1,782,534	1,115,851
General reserve	10,000	10,000
Retained earnings	(4,145,845)	(4,259,030)
	30,138	(749,730)
Non controlling interest	-	-
Total Equity	30,138	(749,730)
Non-current liabilities		
Interest bearing loans and borrowings	3,623,136	3,879,187
Leases liabilities	12,874	14,131
Deferred tax liability	1,212,304	842,160
Employee benefits	22,019	17,661
	4,870,333	4,753,139
Current liabilities		
Trade and other payables	200,728	198,136
Amount due to related companies	139,844	67,676
Interest bearing loans and borrowings	301,411	211,351
Leases liabilities	5,511	5,511
Income tax payable	-	7,436
Short term bank borrowings	491,403	636,910
	1,138,897	1,127,020
Total liabilities	6,009,230	5,880,159
TOTAL EQUITY AND LIABILITIES	6,039,368	5,130,429
Net asset value per share (Rs.)	0.23	(5.78)

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

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

sgd.
Evan Ranasinghe
Head of Finance - Sri Lanka Hotels

sgd.
Ms. D.S.T. Jayawardena
Chairman/Chairperson

sgd.
Mr. C.M.S. Jayawickrama
Director

Colombo
28th May 2026

Company Statement of Financial Position

As at	31.03.2026 Rs. '000 Unaudited	31.03.2025 Rs. '000 Audited
ASSETS		
Non-current assets		
Investment property	2,140,325	1,187,920
Right of use asset	1,199	1,511
Investment in subsidiaries	2,530,168	2,530,168
	4,671,692	3,719,599
Current assets		
Other receivables	172,021	156,217
Cash and cash equivalent	1,350	140
	173,371	156,357
TOTAL ASSETS	4,845,063	3,875,956
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	2,383,449	2,383,449
Revaluation reserve	840,807	840,807
General reserve	10,000	10,000
Retained earnings	1,196,535	529,420
Total equity	4,430,791	3,763,676
Non-current liabilities		
Leases liabilities	12,874	14,131
Deferred tax liability	342,098	56,376
	354,972	70,507
Current liabilities		
Other payables	1,182	1,089
Amount due to related parties	52,607	34,623
Leases liabilities	5,511	5,511
Income tax payable	-	550
	59,300	41,773
Total liabilities	414,272	112,280
TOTAL EQUITY AND LIABILITIES	4,845,063	3,875,956
Net asset value per share (Rs.)	34.19	29.04

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

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

sgd.
Evan Ranasinghe
Head of Finance - Sri Lanka Hotels

sgd.
Ms. D.S.T. Jayawardena
Chairman/Chairperson

sgd.
Mr. C.M.S. Jayawickrama
Director

Colombo
28th May 2026

Statement of Changes in Equity

Group

For the year ended 31st March

	.....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	-	-	-	(153,909)	(153,909)	-	(153,909)
Other comprehensive income / (loss) for the period	-	61,544	-	(921)	60,623	-	60,623
Total comprehensive income / (loss) for the period	**-**	**61,544**	**-**	**(154,830)**	**(93,286)**	**-**	**(93,286)**
Balance as at 31st March 2025	**2,383,449**	**1,115,851**	**10,000**	**(4,259,030)**	**(749,730)**	**-**	**(749,730)**
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	-	-	-	114,013	114,013	-	114,013
Other comprehensive income / (loss) for the period	-	666,683	-	(828)	665,855	-	665,855
Total comprehensive income for the period	**-**	**666,683**	**-**	**113,185**	**779,868**	**-**	**779,868**
Balance as at 31st March 2026	**2,383,449**	**1,782,534**	**10,000**	**(4,145,845)**	**30,138**	**-**	**30,138**

Company

For the year ended 31st March

	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	-	-	-	61,648	61,648
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**61,648**	**61,648**
Balance as at 31st March 2025	**2,383,449**	**840,807**	**10,000**	**529,420**	**3,763,676**
Balance as at 01st April 2025	2,383,449	840,807	10,000	529,420	3,763,676
Net profit for the period	-	-	-	667,115	667,115
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**667,115**	**667,115**
Balance as at 31st March 2026	**2,383,449**	**840,807**	**10,000**	**1,196,535**	**4,430,791**

Statement of Cash Flows

For the year ended 31st March	Group		Company	
	2026 Rs. '000 Unaudited	2025 Rs. '000 Audited	2026 Rs. '000 Unaudited	2025 Rs. '000 Audited
Profit/(loss) before taxation	192,010	(71,019)	952,286	88,024
Adjustment for,				
Depreciation on property, plant and equipment	221,811	220,904	-	-
Amortisation of ROU assets	312	312	312	312
Interest income	(17,871)	(14,892)	-	-
Interest expense	269,648	329,104	1,854	2,208
Provision for retiring benefit obligations	4,554	3,745	-	-
Impairment / (reversal of impairment) of trade and other receivables	(712)	1,434	-	-
Fair value gain of investment property	-	-	(952,405)	(87,920)
Operating profit before working capital changes	669,752	469,588	2,047	2,624
Changes in;				
Inventories	(4,909)	(769)	-	-
Trade and other receivables	70,617	(42,630)	(15,804)	(15,223)
Deposits and prepayments	(27,415)	7,956	-	-
Amount due from related companies	9,345	13,914	-	-
Trade and other payables	2,592	(41,185)	93	(287)
Amount due to related companies	72,168	34,875	17,984	14,370
Cash generated from operations	792,150	441,749	4,320	1,484
Interest expense paid	(222,434)	(209,344)	-	-
Retiring gratuity paid	(1,024)	(1,004)	-	-
Income tax paid	-	(151)	-	(151)
Net cash from operating activities	568,692	231,250	4,320	1,333
Cash flow from investing activities				
Acquisition of property, plant and equipment	(26,068)	(53,091)	-	-
Interest income received	17,871	14,892	-	-
Net cash flow used in investing activities	(8,197)	(38,199)	-	-
Cash flow from financing activities				
Fund received from related parties	150,000	-	-	-
Repayment of interest bearing liabilities leases	(3,110)	(3,110)	(3,110)	(3,110)
Repayment of interest bearing loans and borrowings	(361,351)	(318,425)	-	-
Net cash flow used in financing activities	(214,461)	(321,535)	(3,110)	(3,110)
Net increase / (decrease) in cash & cash equivalents	346,034	(128,484)	1,210	(1,777)
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	55,585	(290,449)	1,350	140
Analysis of cash and cash equivalents at the end of the period				
Cash at bank and in hand	546,988	346,461	1,350	140
Short term bank borrowings	(491,403)	(636,910)	-	-
	55,585	(290,449)	1,350	140

Notes to the 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

	31.03.2026 Rs. Cts.	31.03.2025 Rs. Cts.
Market Price per share		
Highest	25.90	22.00
Lowest	23.00	16.00
Last traded	23.10	18.80
Closing Price	23.10	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 March 2026 was Rs. 273,266,420/-

   The percentage of shares held by the public as at 31st March 2026 was 9.09% and the number of public shareholders as at 31st March 2026 were 2,671.

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 March 2026.

	Name of Director	Position	No of Shares 31.03.2026	No of Shares 31.03.2025
1.	Ms. D. S. T. Jayawardena	Chairman/Chairperson	-	-
2.	Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026)	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 11.12.2025)	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 March 2026.

	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.	MERCHANT BANK OF SRI LANKA LTD/C. SATHKUMARA	438,572	0.34
9.	AITKEN SPENCE HOTELS LTD.	432,459	0.33
10.	HERITANCE (PRIVATE) LIMITED	432,444	0.33
11.	MR. D.R. PONNAMPERUMA	400,000	0.31
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	311,422	0.24
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.	COMMERCIAL BANK OF CEYLON PLC/D.RAMACHANDRAN	200,000	0.15
19.	MR. S.N.C.W.M.B.C. KANDEGEDARA	200,000	0.15
20.	MES B.G. EXE STAFF PROVIDENT ASSO.	182,520	0.14
		121,723,709	93.92

Corporate Information

Directors

Ms. D.S.T. Jayawardena - Chairperson
Dr. M.P. Dissanayake (Resigned we.f. 31.03.2026)
Mr. C M S Jayawickrama
Mr. C.R. Stanislaus
Mr. J. M. S. Brito
Mr. R.N. Asirwatham (Deceased – 11.12.2025)
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 2308099

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