MAHAWELI REACH

MAHAWELI REACH HOTELS PLC

Financial Statements for the period ended

31st December 2025

Mahaweli reach hotels PLC
Statement of Profit or loss and Other comprehensive income

For the period ended 31st December 2025,

	Quarter ended 31.12.2025 (Unaudited) LKR.	Quarter ended 31.12.2024 (Audited) LKR.	Period ended 31.12.2025 (Unaudited) LKR.	Period ended 31.12.2024 (Audited) LKR.
Revenue	**163,232,115**	**258,381,842**	**508,628,502**	**694,877,587**
Cost of sales	(96,291,394)	(143,739,947)	(317,820,492)	(421,272,929)
Gross profit	**66,940,720**	**114,641,895**	**190,808,010**	**273,604,658**
Other operating income	5,985,369	2,453,770	11,127,090	8,279,259
Administration expenses	(64,654,158)	(63,444,114)	(183,582,500)	(165,596,757)
Marketing and promotional expenses	(5,725,059)	(6,960,619)	(15,085,488)	(17,663,727)
Maintenance expenses	(39,131,407)	(46,034,927)	(111,372,486)	(145,060,426)
Profit / (loss) from operations	**(36,584,535)**	**656,005**	**(108,105,375)**	**(46,436,993)**
Depreciation	(46,131,186)	(51,018,010)	(136,936,891)	(141,525,689)
Finance income	6,588,571	3,432,291	14,971,509	3,774,962
Finance cost	(23,361,661)	(19,996,357)	(64,160,049)	(58,134,127)
Profit / (loss) before income taxation	**(99,488,811)**	**(66,926,071)**	**(294,230,805)**	**(242,321,847)**
Income tax credits / (expenses)	-	-	-	-
Profit / (loss) for the period	**(99,488,811)**	**(66,926,071)**	**(294,230,805)**	**(242,321,847)**
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss;	-	-	-	-
Re-measurement of retirement benefit obligation	-	-	-	-
Deferred tax impact on re-measurement of retirement benefit obligation	-	-	-	-
Revaluation gain on lands	-	-	-	-
Revaluation gain on buildings	-	-	-	-
Deferred tax impact on revaluation of building	-	-	-	-
Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2025.	-	-	-	-
Total comprehensive income / (expense) for the period	**(99,488,811)**	**(66,926,071)**	**(294,230,805)**	**(242,321,847)**

Figures in brackets indicate deductions.

Mahaweli Reach Hotels PLC
Statement of Financial Position

As at	Un-audited 31.12.2025 LKR.	Un-audited 31.12.2024 LKR.	Audited 31.03.2025 LKR.
Assets			
Fixed Assets			
Property,Plant & Equipment	3,260,056,893	3,562,391,324	3,364,505,843
Total	**3,260,056,893**	**3,562,391,324**	**3,364,505,843**
Current Assets			
Inventories	46,796,047	52,202,211	35,798,884
Trade and Other Receivables	35,770,323	91,009,270	115,968,993
Other Financial Assets	53,974,602	34,753,698	38,774,312
Income Tax Refund Due	-	2,400,000	2,400,000
Cash & Cash Equivalents	140,814,506	97,425,090	103,949,873
Total	**277,355,478**	**277,790,269**	**296,892,062**
Total Assets	**3,537,412,370**	**3,840,181,593**	**3,661,397,905**
Equity & Liabilities			
Capital & Reserves			
Stated Capital	585,445,870	585,445,870	585,445,870
Revaluation Reserve	2,302,046,051	2,302,046,051	2,302,046,051
Retained Earnings	(1,423,567,553)	(829,344,742)	(1,129,336,748)
Shareholders Funds	**1,463,924,368**	**2,058,147,179**	**1,758,155,173**
Non - Current Liabilities			
Borrowings	929,216,038	200,460,833	777,074,063
Deferred Tax Liability	493,556,415	648,616,934	493,556,415
Retirement Benefit Obligation	94,391,254	65,023,796	92,030,197
Total	**1,517,163,707**	**914,101,563**	**1,362,660,675**
Current Liabilities			
Trade Payable	264,706,362	273,484,531	286,127,388
Deffered Income	16,569,254	25,667,882	23,735,083
Borrowings	275,048,679	568,780,438	230,719,586
Total	**556,324,296**	**867,932,851**	**540,582,058**
Total Liabilities	**2,073,488,002**	**1,782,034,414**	**1,903,242,733**
Total Equity & Liabilities	**3,537,412,370**	**3,840,181,593**	**3,661,397,905**
Net assets per share	31	44	37

Figures in brackets indicate deductions.
These financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Sgd
Ms. Nirosha Gunawardana - Finance Controller

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
Mr. J. A. Panabokke - Director

Sgd
Mr. S. I. Maniku - Director

Mahaweli reach hotels PLC
Statement of Changes in equity

For the period ended 31st December 2025,

	Stated Capital LKR.	Accumulated loss LKR.	Revaluation Reserve LKR.	Total LKR. (Unaudited)
Balance as at 01.04.2024	**585,445,870**	**(913,496,507)**	**2,302,046,051**	**2,222,116,793**
Profit / (loss) for the period	-	(215,840,241)	-	(215,840,241)
Balance as at 31.03.2025	**585,445,870**	**(1,129,336,748)**	**2,302,046,051**	**1,758,155,173**
Balance as at 01.04.2025	**585,445,870**	**(1,129,336,748)**	**2,302,046,051**	**1,758,155,173**
Profit / (loss) for the period	-	(294,230,805)	-	(294,230,805)
Balance as at 31.12.2025	**585,445,870**	**(1,423,567,553)**	**2,302,046,051**	**1,463,924,368**

Figures in brackets indicate deductions.

MAHAWELI REACH HOTELS PLC
STATEMENT OF CASH FLOWS

For the year ended 31st December	Note	2025 Rs.	2024 Rs.
Cash flows from operating activities			
Profit / (loss) before taxation		(99,488,811)	(242,321,847)
Adjustment for :			
Depreciation		46,131,186	141,525,689
Interest Expenses		23,361,661	37,219,443
Provision for gratuity		2,930,145	3,628,600
Operating profit / (loss) before working capital changes		(27,065,819)	(59,948,115)
(Increase) / decrease in inventories		(11,116,911)	(957,364)
(Increase) / decrease in trade and other receivables		(22,082,088)	42,908,661
(Increase) / decrease in other financial assets		(25,189,927)	14,588,881
Increase / (decrease) in trade and other payables		15,373,129	29,641,497
Increase / (decrease) in related party balances		-	-
Cash generated from / (used in) operations		(70,081,616)	26,233,560
Gratuity paid		(243,750)	(3,033,039)
Tax paid		-	-
Interest paid		(23,361,661)	(37,219,443)
Net cash flow from / (used in) operating activities		**(93,687,027)**	**(14,018,922)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,693,891)	(12,289,919)
Transfer of property, plant and equipment		3,878,488	-
Net cash flow from / (used in) investing activities		**184,597**	**(12,289,919)**
Cash flows from financing activities			
Proceeds from bank borrowings		-	-
Repayment of bank borrowings		147,752,325	8,019,578
Net cash flow from / (used in) financing activities		**147,752,325**	**8,019,578**
Net increase/(decrease) in cash and cash equivalents		54,249,896	(18,289,263)
Cash and cash equivalents at the beginning of the year		**86,564,610**	65,674,638
Cash and cash equivalents at the end of the year		**140,814,506**	**47,385,375**

All values are in Sri Lanka Rupees, unless otherwise stated. Figures in brackets indicate deductions.
The accounting policies and notes form an integral part of these financial statements.

Mahaweli reach hotels PLC
Notes To The Interim Financial Statements

CORPORATE INFORMATION

INTERIM CONDENSED FINANCIAL STATEMENTS

APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Company for the three months ended 31st December 2025 were authorized for issue by the Board of Directors on 12th February 2026.

BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2025.

These financial statements for the quarter ended 31st December 2025 have been prepared on a historical cost basis, except for land and buildings.

Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous period are amended, where relevant for better presentation and to be comparable with those of the current period.

SIGNIFICANT ACCOUNTING POLICIES

The changes to accounting policies set out below have been applied consistently to all periods presented in these interim condensed financial statements and in preparing the opening SLFRS/LKAS, unless other indicated.

Finance costs

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2025.

Finance cost comprise interest expense on borrowings.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The financial assets include cash, trade and other receivables and loans and other receivables.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories
• Financial assets at amortized cost (debt instruments)
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
Financial assets at fair value through profit or loss.
• Financial assets at amortized cost (debt instruments)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The right to receive cash flows from the asset have expired
The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the receivable cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has either transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the company's continuing involvement in it.

In the case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.
Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or

as derivatives as appropriate and determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the income statement.

The company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liability are derecognised as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the finance costs in the income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

Financial risk management objectives and policies
The Company principal financial liabilities comprise of loans, borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations . The Company has trade and other receivables, and cash that arise directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company’s financial performance. Risk management is carried out under policies approved by the Board of Directors.

Related party transactions
The Company has borrowed USD 1,000,000 from Universal Enterprises Pvt. Ltd on 06.09.2023 at a interest rate of 6.5% plus SOFR per month and USD 500,000 on 31.01.2025 and USD 400,000 on 24.10.2025 at a interest rate of 6.5% plus SOFR per month to fulfill the working capital requirements of the company and assist in the capital projects of the company. Universal Enterprises Pvt. Ltd. is the major shareholder of the company.

Share Information

Public share holdings

The percentage of shares held by the public as at 31st December 2025 was 21.94% (31st December 2024- 19.39%)

Directors' share holdings

The number of shares held by the Board of Directors are as follows:

As at	31-Dec-25	31-Dec-24
Mr J A Panabokke	1,905,858	1,905,858
MR. U.M. Maniku	533,078	-
Ms D L Panabokke	319,843	319,843
	2,758,779	**2,225,701**

Twenty largest shareholders of the company are as follows:

As at	**31-Dec-25**	**%**
Universal Enterprises Pvt. Ltd	32,683,550	69.44%
Freudenberg Shipping Agencies Limited	2,827,883	6.01%
Mr. J A Panabokke	1,905,858	4.05%
Mr B D Panabokke	1,502,843	3.19%
Estate of Late Mr. K M Panabokke	826,637	1.76%
Estate of Late Mrs. L. R. Panabokke	819,050	1.74%
Mr. J A Panabokke & Mrs.K D Panabokke	791,418	1.68%
MR. M.U. MANIKU	684,228	1.45%
MR. U.M. MANIKU	533,078	1.13%
Mrs. K D Panabokke	412,587	0.88%
Mr. A N Esufally	332,000	0.71%
Ms. D L Panabokke	319,843	0.68%
Mr. J Asitha Panabokke	186,460	0.40%
Mr. P B Panabokke	92,660	0.20%
MR. M.B.J.M.T.U.B. Jayasekara	61,946	0.13%
MR. N.H. Talgaswatte	75,000	0.16%
Senkadagala Finance PLC/H.A.S.Priyangani	53,473	0.11%
MR. P.H. Amarasinghe	58,670	0.12%
MR. R. Ratna Gopal	57,800	0.12%
DR. W.K.D.J. Kumara	56,683	0.12%
Other	2,784,780	5.92%
	47,066,447	**100.00%**

Stated capital

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

As at 31st December 2025	**No of Shares**	**Holding %**	**No of Shareholders**
Others	**36,738,994**	**78.06%**	**7**
Public	**10,327,453**	**21.94%**	**2,301**
Ordinary shares	**47,066,447**	**100%**	**2,308**

Net assets per share As at	**31-Dec-25**	**31-Dec-24**
	31.10	37.65

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2025.

Market price per share

For the quarter ended 31st December	**2025**	**2024**
	Rs.	**Rs.**
Highest	**23.60**	**14.00**
Lowest	**18.00**	**11.60**
Last traded	**19.30**	**13.00**
Market Capitalization on 31st December	**908,382,427**	**611,863,811**

Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalization - (Rs.)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding	199,319,843	21.94%	2,301	2

CORPORATE INFORMATION

Name of the Company
Mahaweli Reach Hotels PLC

Legal Form
A Quoted Public Limited Liability Company Incorporated on 21st September 1973.

Company Registration No. PQ 127
Directors

Mr. J. A. Panabokke - Managing Director
Mr. A. Maumoon
Mr. A. U. Maniku
Mr. A. M. Didi
Mr. M.D.M. Gunatilleke
Mr. C N Shamil Mendis
Ms. D. L. Panabokke
Mr. S. I. Maniku
Ms. F. V. Mahir
Mr. U. M. Maniku
Mr. J. N. Weerakoon

Audit Committee

Mr. Nishantha Weerakoon	Chairman	Independent Non-Executive Director
Mr. C N Shamil Mendis	Member	Independent Non-Executive Director
Mr. S I Maniku	Member	Non-Executive Director

Remuneration Committee

Mr. Nishantha Weerakoon	Chairman	Independent Non-Executive Director
Ms. F. V. Mahir	Member	Non-Executive Director
Mr. C N Shamil Mendis	Member	Independent Non-Executive Director
Ms. D.L. Panabokke	Member	Non-Executive Director

Related Party Transaction Review Committee

Mr. Nishantha Weerakoon	Chairman	Independent Non-Executive Director
Mr. J. A. Panabokke	Member	Executive Director
Mr. C N Shamil Mendis	Member	Independent Non-Executive Director

Nominations & Governance Committee

Mr. Nishantha Weerakoon	Chairman	Independent Non-Executive Director
Mr. C N Shamil Mendis	Member	Independent Non-Executive Director
Mr. S. I. Maniku	Member	Non-Executive Director
Ms. F. V. Mahir	Member	Non-Executive Director
Ms. D.L. Panabokke	Member	Non-Executive Director

Secretaries
Businessmate (Private) Limited
45 Braybrooke Street, Colombo 2
Tel.: +94 112 433933

Lawyers
A & N Partners Attorney-at-Law
No. 519/3 Baudhaloka Mawatha, Colombo 8
Tel.: +94 112665518

Auditors
Bakertilly Edirisinghe & Co., Chartered Accountants
45 Braybrooke Street, Colombo 2

Bankers
Hatton National Bank PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
Nations Trust Bank PLC
Seylan Bank PLC
Peoples Bank PLC

Registered office
35 P. B. A. Weerakoon Mawatha, Kandy