MAHAWELI REACH

SRI LANKA

# MAHAWELI REACH HOTELS PLC

Financial Statements for the period ended

**30th September 2026**

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

***For the period ended 30th September 2026,***

| | Quarter ended 30.09.2026 (Unaudited) LKR. | Quarter ended 30.09.2025 (Audited) LKR. | Period ended 30.09.2026 (Unaudited) LKR. | Period ended 30.09.2025 (Audited) LKR. |
|---|---|---|---|---|
| Revenue | **137,874,433** | **169,349,298** | **220,878,629** | **345,396,388** |
| Cost of sales | (84,345,052) | (100,840,837) | (156,943,269) | **(221,771,598)** |
| **Gross profit** | **53,529,381** | **68,508,461** | **63,935,360** | **123,624,790** |
| Other operating income | 3,131,120 | 3,236,273 | 7,252,242 | 5,141,721 |
| Administration expenses | (55,261,368) | (58,626,173) | (111,660,396) | (118,685,842) |
| Marketing and promotional expenses | (6,044,919) | (5,461,583) | (11,046,582) | (9,360,429) |
| Maintenance expenses | (35,780,815) | (36,375,822) | (70,089,817) | (72,241,079) |
| **Profit / (loss) from operations** | **(40,426,601)** | **(28,718,844)** | **(121,609,194)** | **(71,520,839)** |
| Depreciation | (45,094,618) | (45,623,244) | (89,487,629) | (90,805,705) |
| Finance income | 1,257,243 | 3,494,780 | 2,239,040 | 11,085,420 |
| Finance cost | (25,108,160) | (20,554,861) | (50,570,342) | (40,798,388) |
| Exchange Gain/Loss | (7,700,054) | (199,774) | (34,045,752) | (2,702,481) |
| **Profit / (loss) before income taxation** | **(117,072,190)** | **(91,601,943)** | **(293,473,876)** | **(194,741,993)** |
| Income tax credits / (expenses) | - | - | - | - |
| **Profit / (loss) for the period** | **(117,072,190)** | **(91,601,943)** | **(293,473,876)** | **(194,741,993)** |
| **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 30th September 2026.** | - | - | - | - |
| **Total comprehensive income / (expense) for the period** | **(117,072,190)** | **(91,601,943)** | **(293,473,876)** | **(194,741,993)** |

*Figures in brackets indicate deductions.*

**Mahaweli Reach Hotels PLC**
**Statement of Financial Position**

| As at | Un-audited 30.09.2026 LKR. | Un-audited 30.09.2025 LKR. | Audited 31.03.2026 LKR. |
|---|---|---|---|
| **Assets** | | | |
| **Fixed Assets** | | | |
| Property,Plant & Equipment | 3,166,853,247 | 3,306,372,683 | 3,243,219,906 |
| **Total** | **3,166,853,247** | **3,306,372,683** | **3,243,219,906** |
| **Current Assets** | | | |
| Inventories | 32,680,533 | 35,679,136 | 36,064,275 |
| Trade and Other Receivables | 12,848,406 | 13,688,235 | 69,670,046 |
| Other Financial Assets | 72,593,421 | 28,784,669 | 41,156,588 |
| Income Tax Refund Due | - | - | 310,676 |
| Cash & Cash Equivalents | 82,119,530 | 86,564,610 | 77,552,702 |
| **Total** | **200,241,890** | **164,716,650** | **224,754,287** |
| **Total Assets** | **3,367,095,137** | **3,471,089,333** | **3,467,974,193** |
| **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 | (1,784,434,310) | (1,324,078,741) | (1,490,960,434) |
| **Shareholders Funds** | **1,103,057,611** | **1,563,413,180** | **1,396,531,487** |
| **Non - Current Liabilities** | | | |
| Borrowings | 364,799,691 | 799,458,350 | 1,010,860,977 |
| Deferred Tax Liability | 480,566,707 | 493,556,415 | 565,067,992 |
| Retirement Benefit Obligation | 77,559,528 | 91,704,859 | 76,785,578 |
| **Total** | **922,925,926** | **1,384,719,624** | **1,652,714,547** |
| **Current Liabilities** | | | |
| Trade Payable | 78,976,494 | 246,014,983 | 222,099,326 |
| Deffered Income | 17,142,911 | 19,887,504 | 21,289,925 |
| Borrowings | 1,244,992,194 | 257,054,042 | 175,338,909 |
| **Total** | **1,341,111,600** | **522,956,529** | **418,728,160** |
| **Total Liabilities** | **2,264,037,526** | **1,907,676,153** | **2,071,442,706** |
| **Total Equity & Liabilities** | **3,367,095,138** | **3,471,089,333** | **3,467,974,193** |
| Net assets per share | 23 | 33 | 30 |

*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
**Madusha Wickramasinghe - Accountant**

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
**Director**

Sgd
**Director**

**MAHAWELI REACH HOTELS PLC**
**STATEMENT OF CASH FLOWS**

| For the year ended 30th September | Note | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit / (loss) before taxation | | (293,473,876) | (91,601,943) |
| **Adjustment for :** | | | |
| Depreciation | | 45,094,618 | 45,623,244 |
| Interest Expenses | | 25,108,160 | 20,554,861 |
| Provision for gratuity | | 3,000,000 | 2,930,145 |
| Operating profit / (loss) before working capital changes | | (220,271,097) | (22,493,693) |
| (Increase) / decrease in inventories | | 3,383,742 | 435,578 |
| (Increase) / decrease in trade and other receivables | | 56,821,640 | 1,284,960 |
| (Increase) / decrease in other financial assets | | (31,126,157) | 8,339,682 |
| Increase / (decrease) in trade and other payables | | (147,269,845) | (20,719,869) |
| Increase / (decrease) in Deferred Tax Liability | | (84,501,285) | - |
| Cash generated from / (used in) operations | | (422,963,002) | (33,153,342) |
| Gratuity paid | | (2,226,050) | (3,357,350) |
| Tax paid | | - | - |
| Interest paid | | (25,108,160) | (20,554,861) |
| **Net cash flow from / (used in) operating activities** | | **(450,297,212)** | **(57,065,553)** |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | | 31,272,041 | (20,011,747) |
| Transfer of property, plant and equipment | | - | - |
| **Net cash flow from / (used in) investing activities** | | **31,272,041** | **(20,011,747)** |
| **Cash flows from financing activities** | | | |
| Proceeds from bank borrowings | | - | - |
| Repayment of bank borrowings | | 423,591,999 | 46,525,589 |
| **Net cash flow from / (used in) financing activities** | | **423,591,999** | **46,525,589** |
| **Net increase/(decrease) in cash and cash equivalents** | | 4,566,828 | (30,551,711) |
| **Cash and cash equivalents at the beginning of the year** | | **77,552,702** | 117,116,321 |
| **Cash and cash equivalents at the end of the year** | | **82,119,530** | **86,564,610** |

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**
**Statement of Changes in equity**

***For the period ended 30th September 2026,***

| | Stated Capital LKR. | Accumulated loss LKR. | Revaluation Reserve LKR. | Total LKR. (Unaudited) |
|---|---|---|---|---|
| **Balance as at 01.04.2025** | **585,445,870** | **(1,129,336,748)** | **2,302,046,051** | **2,222,116,793** |
| Profit / (loss) for the period | - | (361,623,686) | - | (361,623,686) |
| **Balance as at 31.03.2026** | **585,445,870** | **(1,490,960,434)** | **2,302,046,051** | **1,396,531,487** |
| | | | | |
| **Balance as at 01.04.2026** | **585,445,870** | **(1,490,960,434)** | **2,302,046,051** | **1,396,531,487** |
| Profit / (loss) for the period | - | (293,473,876) | - | (293,473,876) |
| **Balance as at 30.09.2026** | **585,445,870** | **(1,784,434,310)** | **2,302,046,051** | **1,103,057,611** |

*Figures in brackets indicate deductions.*

**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 30th September 2026 were authorized for issue by the Board of Directors on 12th November 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 30th September 2026.

These financial statements for the quarter ended 30th September 2026 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 30th September 2026.

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 30th September 2026 was 21.94% (30th September 2025- 21.94%)

**Directors' share holdings**

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

| As at | 30-Sep-26 | 30-Sep-25 |
|---|---|---|
| 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*** | **30-Sep-26** | **%** |
|---|---|---|
| Universal Enterprises Pvt. Ltd | 32,683,550 | 69.44% |
| Freudenberg Shipping Agencies Limited | 2,800,000 | 5.95% |
| 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 | 61,130 | 0.13% |
| MR. N.H. Talgaswatte | 150,000 | 0.32% |
| Nexus Capital (Pvt) Ltd | 50,000 | 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 | 2,741,952 | 5.83% |
| | **47,066,447** | **100.00%** |

**Stated capital**

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

| **As at 30th September 2026** | **No of Shares** | **Holding %** | **No of Shareholders** |
|---|---|---|---|
| Others | **36,738,994** | **78.06%** | **7** |
| Public | **10,327,453** | **21.94%** | **2,354** |
| Ordinary shares | **47,066,447** | **100%** | **2,361** |

| **Net assets per share As at** | **30-Sep-26** | **30-Sep-25** |
|---|---|---|
| | 23.44 | 33.22 |

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30th September 2026.

**Market price per share**

| For the quarter ended 30th September | **2026** | **2025** |
|---|---|---|
| | **Rs.** | **Rs.** |
| Highest | **17.90** | **23.50** |
| Lowest | **15.10** | **19.00** |
| Last traded | **16.10** | **23.30** |
| **Market Capitalization on 30th September** | **757,769,797** | **1,096,648,215** |

**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 | 166,271,993 | 21.94% | 2,354 | 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. U. M. Maniku ( Chairman )
Mr. J. A. Panabokke - Managing Director
Mr. A. Maumoon
Mr. A. U. Maniku
Mr. A. M. Didi
Mr. M.D.M. Gunatilleke
Ms. S.N. Ranaweera
Ms. D. L. Panabokke
Mr. S. I. Maniku
Ms. F. V. Mahir
Ms. E.W.M.R. Samindhi Unamboowe

**Audit Committee**

| | | |
|---|---|---|
| Ms. E.W.M.R. Samindhi Unamboowe | Chairman | Independent Non-Executive Director |
| Mr. S I Maniku | Member | Non-Executive Director |
| Mr. Ahmed Maumoon | Member | Independent Non-Executive Director |

**Remuneration Committee**

| | | |
|---|---|---|
| Ms. S.N. Ranaweera | Chairman | Independent Non-Executive Director |
| Ms. F. V. Mahir | Member | Non-Executive Director |
| Ms. D.L. Panabokke | Member | Non-Executive Director |
| Mr. Ahmed Maumoon | Member | Independent Non-Executive Director |

**Related Party Transaction Review Committee**

| | | |
|---|---|---|
| Ms. E.W.M.R. Samindhi Unamboowe | Chairman | Independent Non-Executive Director |
| Mr. J. A. Panabokke | Member | Executive Director |
| Mr. Ahmed Maumoon | Member | Independent Non-Executive Director |

**Nominations & Governance Committee**

| | | |
|---|---|---|
| Ms. S.N. Ranaweera | Chairman | 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 |
| Mr. Ahmed Maumoon | Member | Independent 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