

Interim Financial Statements - 3rd Quarter

(For the Nine months ended 31st December 2025)

ROYAL PALMS BEACH HOTELS PLC
STATEMENT OF FINANCIAL POSITION
As At 31st December 2025

	31.12.2025 Rs.'000'	31.12.2024 Rs.'000'	31.03.2025 Rs.'000'
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	2,748,570	2,429,848	2,773,691
Intangible Assets	14	27	24
Other Financial Assets	21,074	18,353	21,074
Right - of - Use Assets	4,976	8,142	7,351
	2,774,634	2,456,370	2,802,140
Current Assets			
Inventories	36,556	34,321	31,081
Trade and Other Receivables	199,908	205,175	294,493
Other Non Financial Assets	85,251	46,899	48,428
Income Tax Receivables	-	9,315	-
Amounts Due from Related Parties- Other Financial Assets	3,365	3,613	2,693
Short Term Investments - Other Financial Assets	401,758	235,822	240,968
Cash and Bank Balances	365,332	314,730	361,875
	1,092,170	849,875	979,538
Total Assets	3,866,804	3,306,245	3,781,678
EQUITY AND LIABILITIES			
Capital & Reserve			
Stated Capital	521,583	521,583	521,583
Revaluation Reserve	1,457,951	1,214,594	1,452,106
Fair Value Reserve of Financial Assets at FVOCI	2,177	272	2,177
Retained Earnings	853,585	663,239	800,543
Total Equity	2,835,296	2,399,688	2,776,409
Non-Current Liabilities			
Deferred Tax Liabilities	744,266	656,414	754,072
Lease Liability	2,775	6,582	5,677
Post Employement Benefit Liability	59,207	53,675	54,801
	806,248	716,671	814,550
Current Liabilities			
Trade and Other Payables	121,160	118,653	102,405
Income Tax Payable	11,499	-	15,419
Amounts Due to Related Parties	7,670	6,708	6,555
Lease Liabilities	3,807	3,329	3,446
Interest Bearing Loans and Borrowings	81,124	61,196	62,894
	225,260	189,886	190,719
Total Equity and Liabilities	3,866,804	3,306,245	3,781,678
Net Assets per Share (Rs.)	56.71	47.99	55.53

The above figures are provisional and subject to Audit.

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

M.I.Shahabdeen
Chief Financial Officer

A.M.Ondaatjie
Chairperson

T.J.Ondaatjie
Director

February 12. 2026

ROYAL PALMS BEACH HOTELS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Nine Months Ended 31st December 2025

	Nine months ended 31st December			Three months ended 31st December		
	2025 **Rs. '000'**	**2024** **Rs. '000'**	Change Rs. '000'	**2025** **Rs. '000'**	**2024** **Rs. '000'**	Change Rs. '000'
Revenue	666,531	574,949	91,582	297,945	254,728	43,217
Cost of Sales	(211,692)	(215,767)	4,075	(84,995)	(82,800)	(2,195)
Gross Profit	454,839	359,182	95,657	212,950	171,928	41,022
Other Income	67,576	(33,804)	101,380	18,552	(25,241)	43,793
Selling and Distribution Costs	(19,417)	(24,549)	5,132	(9,156)	(11,229)	2,073
Administrative Expenses	(445,497)	(435,204)	(10,293)	(159,614)	(144,221)	(15,393)
Other Expenses	(1,217)	(1,929)	712	(489)	(972)	483
Finance Income	13,018	9,844	3,174	4,875	2,971	1,904
Finance Cost	(1,179)	(1,592)	413	(354)	(506)	152
Profit / (Loss) Before Taxation	68,123	(128,052)	196,175	66,764	(7,270)	74,034
Income Tax (Expense) / Reversal	(15,081)	5,352	(20,433)	(15,816)	2,967	(18,783)
Profit / (Loss) for the Period	53,042	(122,700)	175,742	50,948	(4,303)	55,251
Other Comprehensive Income						
Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods(net of tax)	-	-	-	-	-	-
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods(net of tax)						
Income Tax effect on Revaluation of Land & Buildings	5,845	5,443	402	1,953	1,814	139
Other Comprehensive Income/(Loss) for the Period	5,845	5,443	402	1,953	1,814	139
Total Comprehensive Income/(Loss) for the Period	58,887	(117,257)	176,144	52,901	(2,489)	55,390
Earnings Per Share - Basic	1.06	(2.45)	3.51	1.02	(0.08)	1.10

The above figures are provisional and subject to Audit.

ROYAL PALMS BEACH HOTELS PLC
STATEMENT OF CHANGES IN EQUITY
Nine Months Ended 31st December 2025

	Stated Capital	Revaluation Reserve	Retained Earnings	Fair Value Reserves of Financial Assets as FVOCI	Total Equity Rs.'000'
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Balance as at 1st April 2024	521,583	1,209,151	785,939	272	2,516,945
Net Loss for the Period	-	-	(122,700)	-	(122,700)
Other Comprehensive Income	-	5,443	-	-	5,443
Total Comprehensive Income	-	5,443	(122,700)	-	(117,257)
Balance as at 31st December 2024	521,583	1,214,594	663,239	272	2,399,688
Balance as at 1st April 2025	521,583	1,452,106	800,543	2,177	2,776,409
Net Loss for the Period	-	-	53,042		53,042
Other Comprehensive Income	-	5,845	-		5,845
Total Comprehensive Income	-	5,845	53,042	-	58,887
Balance as at 31st December 2025	521,583	1,457,951	853,585	2,177	2,835,296

The above figures are provisional and subject to Audit.

ROYAL PALMS BEACH HOTELS PLC
STATEMENT OF CASH FLOW
For the Nine Months Ended 31st December 2025

	31.12.2025 Rs.'000'	31.12.2024 Rs.'000'
Cash Flows From Operating Activities		
Profit / (Loss) before Taxation	68,123	(128,052)
Adjustments for :		
Depreciation	60,007	56,195
Amortisation	10	10
Finance Income	(13,018)	(9,844)
Finance Costs	29	107
Interest Expense on Lease	1,150	1,485
Loss/(Gain) from Disposal of Property, Plant & Equipment	-	(7)
Provision for Retirement Benefit Obligations	7,110	8,550
Operating Profit / (Loss) before Working Capital Changes	123,411	(71,556)
(lncrease)/ Decrease in Inventories	(5,475)	1,124
(lncrease)/ Decrease in Trade and Other Receivables	75,558	221,790
(lncrease)/ Decrease in Other Non Financial Assets	(36,823)	(16,976)
(lncrease)/ Decrease in Amounts Due from Related Parties	(671)	(145)
Increase /(Decrease) in Trade and Other Payables	18,755	(13,141)
Increase /(Decrease) in Amounts Due to Related Parties	1,115	(1,456)
Cash Generated from / (used in) Operations	175,870	119,640
Income Tax Paid	(22,961)	(446)
Finance Costs Paid	(29)	(107)
Retirement Benefit Costs Paid	(2,704)	(529)
Net Cash From / (Used in) Operating Activities	150,176	118,558
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(32,512)	(30,863)
Investments in Fixed Deposits	(156,780)	(10,421)
Interest Received	9,007	15,445
Proceeds on Disposal of Property, Plant & Equipment	-	105
Net Cash Flows from / (Used in) Investing Activities	(180,285)	(25,734)
Cash Flows from / (Used in) Financing Activities		
Lease Rent Payment	(3,690)	(3,690)
Repayment of Interest bearing Loans & Borrowings	-	-
Net Cash Flows from / (Used in) Financing Activities	(3,690)	(3,690)
Net lncrease/(Decrease) in Cash and Cash Equivalents	(33,799)	89,134
Effect of exchange rate changes on Cash & Cash Equivalents	19,026	(1,487)
Cash and Cash Equivalents at the beginning of the Period	298,981	165,888
Cash and Cash Equivalents at the end of the Period(Note A)	284,208	253,535

Note A
CASH AND CASH EQUIVALENTS
Components of Cash and Cash Equivalents

Cash & Bank Balances	365,332	314,730
Bank Overdrafts	(81,124)	(61,195)
	284,208	253,535

The above figures are provisional and subject to Audit.

ROYAL PALMS BEACH HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Royal Palms Beach Hotels PLC is a public limited liability company incorporated and domiciled in Sri Lanka listed on the Colombo Stock Exchange. The Interim Financial Statements of the Company for the period ended 31st December 2025 were authorised for issue by the Board of Directors on 12th February 2026.

2. Basis of Preparation

The interim financial statements have been prepared on the same accounting policies and methods of computation applied for the year ended 31.03.2025 and in compliance with the Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.

		31.12.2025	31.12.2024
3	Market price during the quarter - Highest (Rs.)	82.80	42.00
	- Lowest (Rs.)	56.10	27.70
	- Closing (Rs.)	61.30	39.50
	- Last Traded (Rs.)	61.30	39.50

4 There are no material events subsequent to the quarter ended 31.12.2025 that need disclosure.

5 There were no material changes in the composition in the assets and liabilities of the company during the quarter under review.

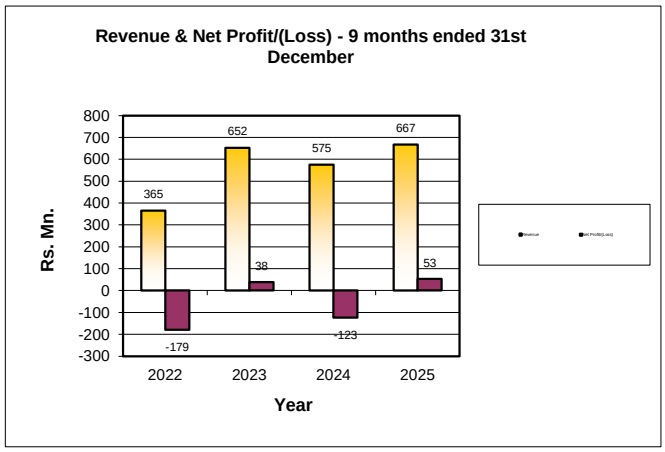
6 Six months of the financial year relates to the off season of the tourism industry.

7 There are no significant contingencies as at 31.12.2025.

8 Stated Capital

	31.12.2025		31.12.2024	
	Number	**Rs.**	**Number**	**Rs.**
Ordinary Share Capital	50,000,000	521,583,448	50,000,000	521,583,448
	50,000,000	521,583,448	50,000,000	521,583,448

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ROYAL PALMS BEACH HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

10 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

10.1 Transactions with Key Management Personnel

Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel of the Company are the Board of Directors of the Company and personnel holding the Designation General Manager and above. Transactions with Key Management Personnel and transactions with the Close Family Members (CFMs) of the KMPs, if any, also have been taken into consideration in the following disclosure.

Key Management Personnel Compensation	up to 31.12.2025 Rs.	up to 31.12.2024 Rs.
Short-term employment benefits	13,104,000	12,881,250

10.2 Transactions with Related Parties

a) Transaction with entities having significant influence over the company- Recurring transactions

Name of the Related Party	Relationship	Nature of Transaction	Terms of Transaction	Transaction Value up to 31.12.2025 Rs.	Transaction Value up to 31.12.2024 Rs.	Balance as at 31.12.2025 Rs.	Balance as at 31.12.2024 Rs.
Tangerine Beach Hotels PLC	Significant Investor	Staff Quarters Rent	Market Terms	(2,340,000)	(2,340,000)	3,364,502	2,748,004
		Swerage Treatment Plant rent	Market Terms	(2,344,765)	(2,751,661)		
		Laundry Charges	Market Terms	21,735,023	19,138,092		
		Goods Transfer	At Cost	1,284,863	996,872		
		Water Bottles	Market Terms	(409,612)			
		Reimbursement of Expenses - (Net)	Reimbursement at cost	(1,418,549)	(1,385,797)		
		Funds Transfers for settlements		(15,790,608)	(13,942,188)		

a) Transaction with Other Related Parties - Recurring Transactions

Security Ceylon (Pvt) Ltd.	Other Related Company	Security Services	As per agreement	(12,793,228)	(12,697,969)	(1,494,229)	(1,299,327)
		Security staff meals	Market Terms	1,371,469	2,332,062		
		Settlements		11,166,680	10,323,529		
Tangerine Tours (Pvt) Ltd	Other Related Company	Tour Operation	As per Contract	27,512,730	37,430,489	22,879,198	18,865,051
		Operation & Marketing Fee	As per agreement	(25,557,020)	(22,085,620)		
		Reimbursement of Expenses	Reimbursement at cost	(4,075,502)	(3,190,155)		
		Settlements- Net		(9,830,562)	(92,881,417)		
Mercantile Investments & Finance PLC	Other Related Company	Repairs & Services to Motor Vehicles	Market Terms	(471,750)	(600,982)	(226,013)	90,200
		Head Office Rent	As per agreement	(1,383,750)	(1,383,750)		
		Reimbursement of Expenses	Reimbursement at cost	(1,122,632)	(999,375)		
		Settlements- Net		2,826,944	2,352,887		
		Net Movement of Fixed Deposits Investments	Market Terms	21,933,483	(13,519,325)	32,833,483	20,799,497
		Interest Income	Market Terms	1,933,483	1,739,112		
The Nuwara Eliya Hotels Co. PLC	Other Related Company	Reimbursement of Expenses	Reimbursement at cost	414,276	3,637,025	-	865,302
		Settlements		(459,472)	(3,206,652)		

ROYAL PALMS BEACH HOTELS PLC

DIRECTORS' SHAREHOLDINGS AS AT 31ST DECEMBER 2025

	No. of Shares held	
Ms. A M Ondaatjie	1,126,733	2.25%
Mr. G G Ondaatjie	1,081,734	2.16%
Mr. T J Ondaatjie	1,414,233	2.83%
Mr. N H V Perera	295,798	0.59%
Mr. A de Zoysa	625	0.00%
Mr. J D Vaz	33	0.00%
Mr. P S R Casie Chitty	-	0.00%
Ms. P T K Navaratne	-	0.00%
Mr. G K Sudath Kumar	-	0.00%
Ms. A Nanayakkara	-	0.00%

PUBLIC HOLDING PERCENTAGE AS AT 31/12/2025		28.46%
NUMBER OF PUBLIC SHAREHOLDERS		1,681
Float Adujusted Market Capitalisation as at 31/12/2025	Rs.	872,299,000.00
The Company is compliant with the minimum public holding requirement under option 2 of 7.13.1 (i)(b)		
Number of shares repesenting the Stated Capital		50,000,000

20 Largest Shareholders

Tangerine Beach Hotels PLC	14,202,786	28.41%
Mercantile Investments and Finance PLC	8,576,700	17.15%
Tangerine Tours (Pvt) Ltd	3,966,289	7.93%
Mr. M J Fernando (De(For the Nine months	3,649,403	7.30%
The Nuwara Eliya Hotels Co. PLC	2,750,000	5.50%
Mr. U M Maniku	2,552,823	5.11%
Mr. T J Ondaatjie	1,414,233	2.83%
Ms. A M Ondaatjie	1,126,733	2.25%
Mr. G G Ondaatjie	1,081,734	2.16%
Mercantile Fortunes (Pvt) Ltd	829,870	1.66%
Peoples Leasing & Finance PLC/ Suhada (Pvt) Ltd	768,380	1.54%
Nilaveli Beach Hotels (Pvt) Ltd	707,375	1.41%
Assetline Finance Ltd/ Suhada Gas Distributc	671,695	1.34%
Security Ceylon (Pvt) Ltd	650,000	1.30%
Mrs. K M N Perera	414,542	0.83%
N Vaitilingam & Co. (Pvt) Ltd	332,166	0.66%
Mr. J A S S Adhihetty	299,050	0.60%
Mr. N H V Perera	295,798	0.59%
Mr. D C Fernando	250,000	0.50%
Ceylon Galvernizing Industries Ltd	235,998	0.47%