

# **MAHAWELI REACH HOTELS PLC**

***INTERIM FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED  
31st MARCH 2023.***

**MAHAWELI REACH HOTELS PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

|  | For the 03 Months Ended 31st March<br>(Unaudited) |                    | For the 12 Months Ended 31st March<br>(Unaudited) |                      |
|--|---|--------------------|---|----------------------|
|  | 2023  | 2022               | 2023  | 2022                 |
|  | Rs.   | Rs.                | Rs.   | Rs.                  |
| Revenue  | 136,457,617                                       | 137,247,459        | 502,935,585                                       | 374,561,206          |
| Cost of sales  | (63,089,309)                                      | (70,221,309)       | (437,498,007)                                     | (249,794,223)        |
| <b>Gross profit</b>  | <b>73,368,308</b>                                 | <b>67,026,150</b>  | <b>65,437,578</b>                                 | <b>124,766,983</b>   |
| Other income   | 15,295,238  | 14,212,622         | 63,682,442  | 47,579,026           |
| Marketing & Promotional expenses                               | (4,125,268)                                       | (4,039,151)        | (20,174,805)                                      | (13,023,751)         |
| Administrative & Other expenses                                | (89,588,058)                                      | (76,365,585)       | (333,914,631)                                     | (267,451,539)        |
| <b>Operating profit</b>  | <b>(5,049,780)</b>                                | <b>834,036</b>     | <b>(224,969,416)</b>                              | <b>(108,129,281)</b> |
| Finance costs  | (5,442,447)                                       | (6,798,839)        | (25,098,335)                                      | (53,245,652)         |
| Finance income   | 1,571,095   | 461                | 2,259,228   | 1,271,024            |
| Finance costs - net  | (8,921,132)                                       | (5,964,342)        | (247,808,522)                                     | (160,103,909)        |
| <b>Profit before income tax</b>                                | <b>(8,921,132)</b>                                | <b>(5,964,342)</b> | <b>(247,808,522)</b>                              | <b>(160,103,909)</b> |
| Income tax expense / Credits                                   | -   | -                  | -   | (16,544,857)         |
| <b>Profit/(Loss) for the period</b>                            | <b>(8,921,132)</b>                                | <b>(5,964,342)</b> | <b>(247,808,522)</b>                              | <b>(176,648,766)</b> |
| <b>Other Comprehensive Income</b>                              |   |                    |   |                      |
| <b>Items that will never be reclassified to Profit or Loss</b> |   |                    |   |                      |
| Re- Measurement of Defined Benefit & Liability                 | -   | -                  | -   | 4,479,569            |
| Related Tax  | -   | -                  | -   | (627,140)            |
| Revaluation gain on Lands                                      | -   | -                  | -   | -                    |
| Revaluation gain on Buildings                                  | -   | -                  | -   | -                    |
| Deferred tax impact on revaluation buildings                   | -   | -                  | -   | -                    |
| <b>Other Comprehensive Income for the Year, Net of Tax</b>     | <b>-</b>  | <b>-</b>           | <b>-</b>  | <b>3,852,429</b>     |
| <b>Total Comprehensive Income for the Year</b>                 | <b>(8,921,132)</b>                                | <b>(5,964,342)</b> | <b>(247,808,522)</b>                              | <b>(172,796,337)</b> |
| <b>Earning/(Loss) per Share Rs.</b>                            |   |                    |   |                      |
| Basic  | (0.19)  | (0.13)             | (5.27)  | (3.75)               |

**MAHAWELI REACH HOTELS PLC**  
**STATEMENT OF FINANCIAL POSITION**

|                                     | Unaudited as at<br>31.03.2023<br>Rs. | Unaudited as at<br>31.03.2022<br>Rs. |
|-------------------------------------|--------------------------------------|--------------------------------------|
| <b>Assets</b>                       |                                      |                                      |
| <b>Non-current assets</b>           |                                      |                                      |
| Property Plant & Equipment          | 1,436,192,557                        | 1,597,423,708                        |
| Work in Progress                    | 4,338,586                            | 2,607,586                            |
|                                     | <b>1,440,531,143</b>                 | <b>1,600,031,294</b>                 |
| <b>Current assets</b>               |                                      |                                      |
| Inventories                         | 36,248,809                           | 21,776,345                           |
| Trade & Other Receivables           | 46,385,482                           | 70,974,456                           |
| Income Tax Refund                   | 4,121,274                            | 4,121,274                            |
| Cash and Cash Equivalents           | 46,325,577                           | 27,196,856                           |
|                                     | <b>133,081,143</b>                   | <b>124,068,931</b>                   |
| <b>Total Assets</b>                 | <b>1,573,612,286</b>                 | <b>1,724,100,225</b>                 |
| <b>Equity and liabilities</b>       |                                      |                                      |
| Stated Capital                      | 585,445,870                          | 585,445,870                          |
| Revaluation Reserves                | 819,618,393                          | 819,618,393                          |
| Retained Earnings                   | (829,073,915)                        | (581,265,393)                        |
| <b>Total equity</b>                 | <b>575,990,348</b>                   | <b>823,798,870</b>                   |
| <b>Liabilities</b>                  |                                      |                                      |
| <b>Non-current liabilities</b>      |                                      |                                      |
| Deferred Taxation                   | 5,474,229.43                         | 65,183,363.00                        |
| Interest Bearing Borrowings         | 210,419,371                          | 175,961,754.00                       |
| Deferred Tax Liability              | 182,894,153                          | 198,355,522.00                       |
| Retirement Benefit Obligations      | 55,369,310                           | 51,846,885.00                        |
| <b>Current liabilities</b>          |                                      |                                      |
| Trade and Other Payables            | 318,951,550                          | 230,697,182.00                       |
| Due to Related Companies            | 86,500,190                           | 53,923,216.00                        |
| Bank Overdrafts                     | 138,013,134                          | 124,333,433                          |
| <b>Total liabilities</b>            | <b>997,621,938</b>                   | <b>900,301,355</b>                   |
| <b>Total equity and liabilities</b> | <b>1,573,612,285</b>                 | <b>1,724,100,225</b>                 |

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.



**Prabodh Dias**  
Assistant Finance Manager

The above figures are provisional & subject to audit  
 Figures in brackets indicate deductions.

Signed for and on behalf of the Board

  
**J A Panabokke**  
Director

30th May 2023

  
**W P Hettiaratchi**  
Director

**MAHAWELI REACH HOTELS PLC**  
**STATEMENT OF CHANGES IN EQUITY**

|                                      | Stated Capital<br>Rs. | Revaluation<br>Reserve<br>Rs. | Retained Earnings<br>Rs. | Total<br>Rs.       |
|--------------------------------------|-----------------------|-------------------------------|--------------------------|--------------------|
| <b>Balance as at 1st April 2023</b>  | 585,445,870           | 819,618,393                   | (581,265,393)            | 823,798,870        |
| Profit or loss                       | -                     | -                             | (247,808,522)            | (247,808,522)      |
| <b>Balance as at 31st March 2023</b> | <b>585,445,870</b>    | <b>819,618,393</b>            | <b>(829,073,915)</b>     | <b>575,990,348</b> |
| <b>Balance as at 1st April 2022</b>  | 585,445,870           | 819,618,393                   | (408,469,056)            | 996,595,207        |
| Profit or loss                       | -                     | -                             | (172,796,337)            | (172,796,337)      |
| <b>Balance as at 31st March 2022</b> | <b>585,445,870</b>    | <b>819,618,393</b>            | <b>(581,265,393)</b>     | <b>823,798,870</b> |

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

|   | Unaudited as at<br>31.03.2023<br>Rs. | Unaudited as at<br>31.03.2022<br>Rs. |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>            |                                      |                                      |
| Profit / (Loss) for the period                        | (247,808,522)                        | (160,103,909)                        |
| <b>Adjustments for :-</b>                             |                                      |                                      |
| Depreciation  | 66,905,548                           | 69,031,553                           |
| Interest Expenses                                     | 1,436,713                            | 571,750                              |
| Bank overdraft and loan interest                      | 10,183,200                           | 8,762,679                            |
| Related party loan interest                           | -                                    | 522,510                              |
| Other financial charges                               | 7,114,410                            | 3,398,081                            |
| Moratorium loan interest                              | 74,392,389                           | 39,990,632                           |
| Movement in Provision for Gratuity & Accruals         | (9,824,244)                          | 4,664,414                            |
| Provision for Income Tax                              | -                                    | (2,469,082)                          |
| <b>Changes in Operating Assets and Liabilities :-</b> | (97,600,507)                         | (35,631,372)                         |
| (Increase) / Decrease In Inventories                  | (14,477,631)                         | (3,384,055)                          |
| (Increase) / Decrease In Trade and other Receivables  | (5,970,230)                          | (32,242,969)                         |
| Increase / (Decrease) in due to Related parties       | 32,576,974                           | 76,199,270                           |
| Increase / (Decrease) In Trade & Other Payables       | 140,852,741                          | 35,779,187                           |
|   | 55,381,347                           | 40,720,061                           |
| Interest paid   | (1,436,713)                          | -                                    |
| Gratuity paid   | (4,100,505)                          | (4,230,550)                          |
| Tax paid  | -                                    | -                                    |
| <i>Net cash generated from operating activities</i>   | 49,844,130                           | 36,489,511                           |
| <b>Cash flows from investing activities</b>           |                                      |                                      |
| Purchases of Property Plant & Equipments              | -                                    | (387,290)                            |
| Proceeds from disposal of Assets                      | -                                    | -                                    |
| Investment in WIP assests                             | (1,731,000)                          | -                                    |
| <i>Net cash used in investing activities</i>          | (1,731,000)                          | (387,290)                            |
| <b>Cash flows from financing activities</b>           |                                      |                                      |
| Proceeds from Loans                                   | (49,035,196)                         | (45,907,121)                         |
| Repayment of Loans & Leases                           | -                                    | -                                    |
| <i>Net cash used in financing activities</i>          | (49,035,196)                         | (45,907,121)                         |
| <i>Net increase in cash and cash equivalents</i>      | (922,067)                            | (6,371,086)                          |
| Cash & Cash equivalents at beginning of the year      | (90,765,491)                         | (90,765,491)                         |
| <b>Cash &amp; cash equivalents at end of period</b>   | <b>(91,687,558)</b>                  | <b>(97,136,577)</b>                  |

**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 12 months ended 31st March 2023 were authorised for issue by the Board of Directors on 30th May 2023.

**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 31 March 2022.

These financial statements quarter ended 31st March 2023 have been prepared on a historical cost basis, except for land and buildings.

**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.

The presentation and classification of the financial statements of the previous periods have been amended, where relevant, for better presentation and to be comparable with those of the current period.

**Finance costs**

Finance Income comprise interest income from Staff Loans.

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 amortised cost using the effective interest rate method (EIR), less impairment. Amortised 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 amortisation is included in finance income in the income statement. The losses arising from impairment are recognised 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 recognised 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 recognised 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 recognised 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 amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability are derecognised as well as through the effective interest rate method (EIR) amortization process.

Amortised 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 recognised 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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement. Substantially modified, such an exchange,

**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.

## Share Information

### Public share holdings

The percentage of shares held by the public as at 31st March 2023 was 19.99%( 31st March 2022- 20.22%)

### Directors' share holdings

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

| As at   | 31-Mar-23        | 31-Mar-22        |
|---|------------------|------------------|
| Mr J A Panabokke  | 1,905,858        | 1,905,858        |
| Mr M U Maniku   | 1,217,306        | 1,217,306        |
| Mr A N Esufally   | 332,000          | 332,000          |
| Ms D L Panabokke  | 309,843          | 262,033          |
| Mr. Janaka Asitha Panabokke                                 | 176,460          | 174,460          |
| Mr P B Panabokke(Altenate<br>Director to Ms. D L Panabokke) | 52,660           | 45,160           |
|   | <u>3,994,127</u> | <u>3,936,817</u> |

### Twenty largest shareholders of the company are as follows:

| As at                                 | 31-Mar-23         | %           |
|---------------------------------------|-------------------|-------------|
| Universal Enterprises Pvt. Ltd        | 32,683,550        | 69.44%      |
| Freudenberg Shipping Agencies Limited | 3,000,000         | 6.37%       |
| Mr. J A Panabokke                     | 1,905,858         | 4.05%       |
| Mr B D Panabokke                      | 1,502,843         | 3.19%       |
| Mr. M U Maniku                        | 1,217,306         | 2.59%       |
| 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 | 731,418           | 1.55%       |
| Mr. A N Esufally                      | 332,000           | 0.71%       |
| Ms. D L Panabokke                     | 309,843           | 0.66%       |
| Mrs.K D Panabokke                     | 247,550           | 0.53%       |
| Mackwoods Securities Limited          | 229,627           | 0.49%       |
| Mr. H.D. Molligoda                    | 187,965           | 0.40%       |
| Mr. J Asitha Panabokke                | 176,460           | 0.37%       |
| MR. S.R.S De Saram                    | 160,700           | 0.34%       |
| Ms. R.S. Molligoda                    | 156,345           | 0.33%       |
| Mackwoods Enterprises Limited         | 66,593            | 0.14%       |
| Mr. R. Ratna Gopal                    | 57,800            | 0.12%       |
| Mr. P B Panabokke                     | 52,660            | 0.11%       |
| Mr. J C L De Mel                      | 40,000            | 0.08%       |
| Others                                | 2,362,242         | 5.02%       |
|                                       | <u>47,066,447</u> | <u>100%</u> |

### Stated capital

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

| As at 31st March 2023 | No of Shares | Holding % | No of Shareholders |
|-----------------------|--------------|-----------|--------------------|
| Others                | 37,656,645   | 80.01%    | 9                  |
| Public                | 9,409,802    | 19.99%    | 2,246              |
| Ordinary shares       | 47,066,447   | 100.00%   | 2,255              |
| Preference Shares     |              |           |                    |

### Net assets per share As at

| 31-Mar-23 | 31-Mar-22 |
|-----------|-----------|
| 12.24     | 18.62     |

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st March 2023

### Market price per share

| For the quarter ended 31 March      | 2023        | 2022        |
|-------------------------------------|-------------|-------------|
|                                     | Rs.         | Rs.         |
| Highest                             | 14.30       | 18.90       |
| Lowest                              | 11.50       | 11.90       |
| Last traded                         | 12.90       | 12.00       |
| Market Capitalization on 31st March | 607,157,166 | 564,797,364 |

### Minimum Public Holding Requirement as per Listing Rules 7.13.1

|                        | Float Adjusted Market Capitalisation - (Rs.) | Public Holding Percentage | No of Shareholders | Option |
|------------------------|--|---------------------------|--------------------|--------|
| Minimum Public Holding | 121,386,446                                  | 19.99%                    | 2,246              | 2      |



## Share Information

### Public share holdings

The percentage of shares held by the public as at 31st March 2023 was 19.99% (31st March 2022- 20.22%)

### Directors' share holdings

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

| As at   | 31-Mar-23        | 31-Mar-22        |
|---|------------------|------------------|
| Mr J A Panabokke  | 1,905,858        | 1,905,858        |
| Mr M U Maniku   | 1,217,306        | 1,217,306        |
| Mr A N Esufally   | 332,000          | 332,000          |
| Ms D L Panabokke  | 309,843          | 262,033          |
| Mr. Janaka Asitha Panabokke                               | 176,460          | 174,460          |
| Mr P B Panabokke (Altenate Director to Ms. D L Panabokke) | 52,660           | 45,160           |
|   | <b>3,994,127</b> | <b>3,936,817</b> |

### Twenty largest shareholders of the company are as follows:

| As at                                 | 31-Mar-23         | %           |
|---------------------------------------|-------------------|-------------|
| Universal Enterprises Pvt. Ltd        | 32,683,550        | 69.44%      |
| Freudenberg Shipping Agencies Limited | 3,000,000         | 6.37%       |
| Mr. J A Panabokke                     | 1,905,858         | 4.05%       |
| Mr B D Panabokke                      | 1,502,843         | 3.19%       |
| Mr. M U Maniku                        | 1,217,306         | 2.59%       |
| 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 | 731,418           | 1.55%       |
| Mr. A N Esufally                      | 332,000           | 0.71%       |
| Ms. D L Panabokke                     | 309,843           | 0.66%       |
| Mrs.K D Panabokke                     | 247,550           | 0.53%       |
| Mackwoods Securities Limited          | 229,627           | 0.49%       |
| Mr. H.D. Molligoda                    | 187,965           | 0.40%       |
| Mr. J Asitha Panabokke                | 176,460           | 0.37%       |
| MR. S.R.S De Saram                    | 160,700           | 0.34%       |
| Ms. R.S. Molligoda                    | 156,345           | 0.33%       |
| Mackwoods Enterprises Limited         | 66,593            | 0.14%       |
| Mr. R. Ratna Gopal                    | 57,800            | 0.12%       |
| Mr. P B Panabokke                     | 52,660            | 0.11%       |
| Mr. J C L De Mel                      | 40,000            | 0.08%       |
| Others                                | 2,362,242         | 5.02%       |
|                                       | <b>47,066,447</b> | <b>100%</b> |

### Stated capital

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

| As at 31st March 2023 | No of Shares | Holding % | No of Shareholders |
|-----------------------|--------------|-----------|--------------------|
| Others                | 37,656,645   | 80.01%    | 9                  |
| Public                | 9,409,802    | 19.99%    | 2,246              |
| Ordinary shares       | 47,066,447   | 100.00%   | 2,255              |
| Preference Shares     |              |           |                    |

### Net assets per share As at

| 31-Mar-23 | 31-Mar-22 |
|-----------|-----------|
| 12.24     | 18.62     |

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st March 2023

### Market price per share

For the quarter ended 31 March

|                                     | 2023        | 2022        |
|-------------------------------------|-------------|-------------|
|                                     | Rs.         | Rs.         |
| Highest                             | 14.30       | 18.90       |
| Lowest                              | 11.50       | 11.90       |
| Last traded                         | 12.90       | 12.00       |
| Market Capitalization on 31st March | 607,157,166 | 564,797,364 |

### Minimum Public Holding Requirement as per Listing Rules 7.13.1

|                        | Float Adjusted Market Capitalisation - (Rs.) | Public Holding Percentage | No of Shareholders | Option |
|------------------------|--|---------------------------|--------------------|--------|
| Minimum Public Holding | 121,386,446                                  | 19.99%                    | 2,246              | 2      |

**Contingencies, capital and other commitments**

A Contingent Liability of Rs.10 million exists due to a legal claim by a customer in the ordinary course of business. Mahaweli Reach Hotels PLC maintains a public liability insurance policy and the matter has been referred to the insurers. An evaluation of the likelihood of an unfavourable outcome resulting in a potential loss cannot be quantified or commented upon at this stage.

Following the termination of employees on disciplinary grounds an inquiry was held by the Commissioner General of Labor and an order was issued for reinstatement and the payment of back wages. The Company filed a Writ Application in the Court of Appeal to have this order quashed. The Honorable Court delivered its judgement on 12th December 2018, quashing the order of the Commissioner General of Labor which required reinstatement of these employees and stating that the Commissioner General of Labor should hear the parties and make an order regarding the compensation payable to these persons in terms of the Termination of Employment of Workmen (Special Provisions) Act No: 45 of 1971 (as amended). Legal Advice has been sought with respect to the decision of the Commissioner General of labor which was received on 05th August 2019. In view of legal advice that the determination received from the Commissioner General of Labor on 05th August 2019 was incorrect in law, the company has filed a Writ Application before the Court of Appeal seeking an order quashing the said decision. No material losses are anticipated as a result.

**Event after the reporting period**

There are no material subsequent events to the Balance Sheet date that require disclosure in the interim financial statements.

The macro economic situation prevalent in the country continues to affect operations though there appears to be a positive change currently compared to the events during the past financial year. During the year 2022/2023, the shortage of commodities and exponential increase in prices had a significant impact on the results and cashflows as the company was constrained in passing these increases to the consumer. The substantial increase in the applicable rates on electricity for hotels and for other utilities have also affected the company. The variance in costs from the previous year is also attributed to, by the restoration of the remuneration to normal levels following the voluntary pay cut taken by the employees for nearly two years. All possible efforts are being made to maximize the use of available resources for the benefit of the company and to mitigate the effects of rising costs. It is anticipated that very recent moves towards the possible decrease of utility rates and commodity prices as well as an increase in tourist arrivals to the country could have a positive impact for the company in the forthcoming financial year.