Embracing

The Future of Travel in a Changing World

Cinnamon
HOTELS & RESORTS



Embracing

The Future of Travel in a Changing World

Change defines the world we operate in, but it also presents opportunity.

At John Keells Hotels PLC, we embrace our reality with resilience. As global travel continues to evolve amid economic shifts and changing expectations, we strengthen our position by investing in what truly matters: our destinations, our experiences, and our ability to adapt. From Sri Lanka to the Maldives, each of our properties is designed to meet the growing demand for immersive, meaningful travel, offering guests more than just a stay, but a connection.

Our focus remains forward-looking. Through responsible tourism, innovation, and a commitment to excellence, we continue to build a hospitality platform that is both agile and enduring.

At John Keells Hotels PLC, we do not wait for the future to arrive. We prepare for it, shape it, and welcome it. This is how we embrace the future of travel in a changing world.

Cinnamon
HOTELS & RESORTS

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CHAIRPERSON'S MESSAGE

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BEING A RESPONSIBLE BUSINESS

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OUR VISION

To bring the best of Sri Lanka to the world with style and elegance

OUR PURPOSE

Curate emotional experiences to inspire stories that connect

OUR VALUES

Greatness
Trust
Compassion
Inclusivity
Curiosity
Wellbeing
Agility



ABOUT THIS REPORT



We are pleased to present John Keells Hotels PLC's 11th Integrated Annual Report for the financial year ended 31st March 2026. This Integrated Annual Report provides a concise, balanced account of how we delivered value to investors and other stakeholders in the context of our operating environment during the year under review. The Report also outlines material information on the Group's corporate governance and risk management approach, financial and non-financial performance, and its plans to create value in the coming year.

BASIS OF PREPARATION

This Integrated Annual Report covers the operations of John Keells Hotels PLC and its subsidiaries (collectively referred to as "the Hotels Group"/"Cinnamon"). The Group owns, operates and manages resorts in Sri Lanka and the Maldives. Its corporate office is based in Sri Lanka.

Cinnamon adopts an annual approach to corporate reporting. Accordingly, this Report builds on its previous Report published for the financial year ended 31st March 2025.

The financial and non-financial information presented in this Integrated Report represents a consolidated view unless stated otherwise. The scope and boundary of our Integrated Report is presented below.

Integrated Reporting Boundary

Financial and Non-Financial Reporting Boundary

Fully Owned Subsidiaries	Partially Owned Subsidiaries	Joint Ventures / Associates
• Trinco Holiday Resorts (Pvt) Ltd • John Keells Maldivian Resorts (Pvt) Ltd • Travel Club (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd) • Fantasea World Investments (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd) • Tranquility (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd) • Cinnamon Holidays (Pvt) Ltd • Rajawella Hotels Company Ltd • Nuwara Eliya Holiday Resorts (Pvt) Ltd • Wirawila Walk Inn Ltd • Trinco Walk Inn Ltd • Ahungalla Holiday Resorts (Pvt) Ltd	• Ceylon Holiday Resorts Ltd • Hikkaduwa Holiday Resorts (Pvt) Ltd (100% by Ceylon Holiday Resorts Ltd) • Resort Hotels Ltd (89.13% by Ceylon Holiday Resorts Ltd) • International Tourists & Hoteliers Ltd • Beruwala Holiday Resorts (Pvt) Ltd (100% by International Tourists & Hoteliers Ltd) • Habarana Walk Inn Ltd • Habarana Lodge Ltd • Kandy Walk Inn Ltd* • Yala Village (Pvt) Ltd • Yala Adventure Park (Pvt) Ltd	• Sentinel Realty (Pvt) Ltd • Indra Hotels & Resorts Kandy (Pvt) Ltd

Shareholders | Colleagues | Customers | Business Partners and Suppliers | Government and Regulatory Bodies | Community

* Divested on 31 March 2026

ABOUT THIS REPORT

Comparative information

The presentation and classification of the previous year's financial statements have been amended, where relevant, to improve their presentation and make them comparable with those of the current year.

STANDARDS AND FRAMEWORKS APPLIED

Our Integrated Annual Report also aligns with the following mandatory and voluntary reporting frameworks and standards.

Financial reporting

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- The Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 including directives and circulars



Non-financial reporting

- <IR> Framework
- GRI Universal Standards
- Guidance on Environmental, Social and Governance (ESG) reporting issued by the Colombo Stock Exchange
- Gender Parity Reporting Framework published by CA Sri Lanka
- UN Sustainability Goals
- Code of Best Practice on Corporate Governance 2023 (to the extent of business exigency and as required by the John Keells Hotels Group
- SASB Standard for Hotels and Lodging
- Benchmarks for environmental parameters - EarthCheck (Pte) Ltd - Australia

FORWARD-LOOKING STATEMENT

This Integrated Report provides forward-looking statements about the Group's operations, financial position and performance to demonstrate its potential for value creation in the future. These statements are based on the Group's present understanding, interpretation and expectation of future events, but are inherently uncertain as they relate to future events that lie beyond the control of the Group. Therefore, we advise users to rely on the latest available information when assessing forward-looking statements, as actual events may differ materially. The Board and the preparers of this Report assume no responsibility or liability for forward-looking statements.

ASSURANCE

The Hotels group undertakes combined assurance to ensure the integrity of the financial and non-financial statements presented in this Integrated Report. Management oversight facilitates internal assurance, while the Group has sought external assurance from Messrs Ernst and Young on financial and sustainability reporting as described below.

Internal assurance	Independent assurance report on the Directors' statement on internal controls
	Sri Lanka Standard on Assurance Engagement SLSAE 3050 (Revised)

External assurance	Financial statements	Sustainability reporting
	External auditors, Messrs. Ernst & Young	External auditors, Messrs. Ernst & Young
	Sri Lanka Auditing Standards	Sri Lanka Standard on Assurance Engagements SLSAE 3000 (Revised)

There are no restatements of information from the previous reporting period.

NAVIGATING OUR REPORT

Our Stakeholders

Shareholders | Colleagues | Customers | Business Partners and Suppliers | Government and Regulatory Bodies | Community

Strategy

Grow with Intent

Drive Guest and Customer Personalisation

Cultivate the Best People and evolve the culture

Operate with Excellence

STATEMENT OF BOARD RESPONSIBILITY

The Directors of John Keells Hotels PLC is responsible for ensuring the integrity of this Annual Report. We, the Board of Directors, hereby confirm that we have reviewed the Annual Report prepared by the Senior Management for the financial year 2025/26 in accordance with the Integrated Reporting <IR> Framework. We are of the view that it addresses all relevant material matters and fairly represents the Group's integrated performance. We have authorised and approved the Annual Report 2025/26 for publication.

Chairperson
Board of Directors

Chairperson
Audit Committee



FEEDBACK

We encourage your comments, feedback and queries and invite you to direct them to

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Vice President, Finance – Cinnamon Hotels & Resorts,
117, Sir Chittampalam A Gardiner Mawatha, Colombo 02

E mail: rasikapu@cinnamonhotels.com

Scan to view the Annual Report.
Visit:.
https://www.cinnamonhotels.com/investor-relations

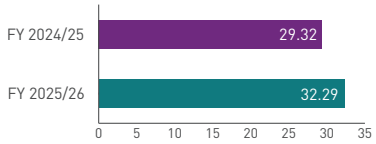
FINANCIAL PERFORMANCE

In FY 2025/26, we delivered a strong financial performance, with Group net revenue growing 10.1% to Rs. 32.3 billion and EBITDA surging 34.5% to Rs. 10.1 billion, reflecting the strength of our portfolio across Sri Lanka and the Maldives.

Rs. 32.3 Bn

Group net revenue

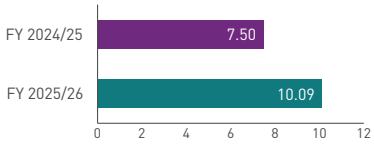
↑ 10% vs FY 2024/25



Rs. 10.1 Bn

EBITDA

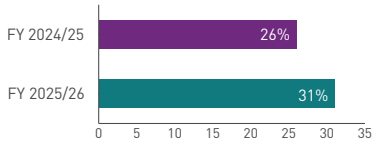
↑ 34% vs FY 2024/25



31%

EBITDA margin

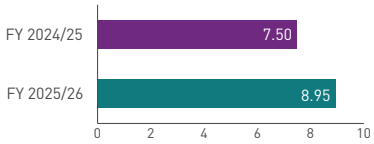
↑ 5% vs FY 2024/25



Rs. 8.95 Bn

Recurring EBITDA

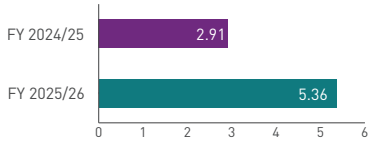
↑ 19% vs FY 2024/25



Rs. 5.36 Bn

EBIT

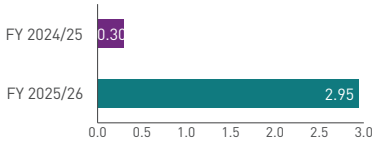
↑ 84% vs FY 2024/25



Rs. 2.95 Bn

Profit before tax

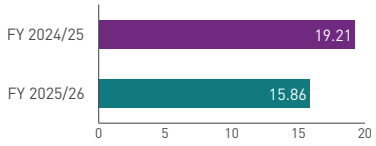
↑ 875% vs FY 2024/25



Rs. 15.9 Bn

Net debt (excl. lease liabilities)

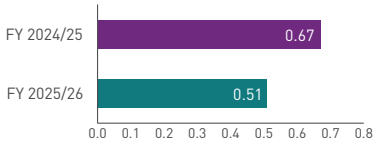
↓ 17.4% reduction in debt



0.51x

Debt-to-equity ratio

↓ improved from 0.67x



Rs. 1.33

Earnings per share

↑ improved from Rs. (0.16) loss in FY 2024/25

Rs. 23.95

Net assets per share

↑ 11% vs FY 2024/25

SEGMENT HIGHLIGHTS

Our two key segments – Sri Lanka and the Maldives – both delivered RevPAR growth, supported by improved occupancy rates and rate optimisation.

SRI LANKA

+4%

RevPAR growth

+17%

Revenue growth

MALDIVES

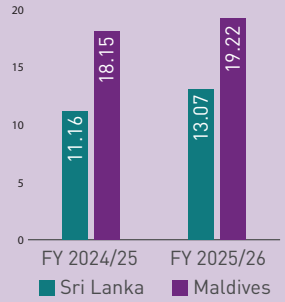
+9%

RevPAR growth

+6%

Revenue growth

Revenue by segment (Rs.Bn)



YEAR IN NUMBERS

STRATEGY SCORECARD - GROUP



PROSPERITY

KPI-Group	Measure	FY 2025/26	FY 2024/25	% Change
Revenue measures and financial performance				
Group net revenue	Rs.'000	**32,288,749**	29,318,227	10
Revenue Per Available Room (RevPAR) growth				
Sri Lanka	%	**4**	18	
Maldives	%	**9**	(3)	
EBITDA	Rs.'000	**10,086,202**	7,501,821	34
Recurring EBITDA	Rs.'000	**8,946,992**	7,501,821	19
Recurring EBITDA margin	%	**28**	26	
EBIT	Rs.'000	**5,359,091**	2,912,239	84
Recurring EBIT	Rs.'000	**4,219,881**	2,912,239	45
Profit before tax	Rs.'000	**2,945,809**	302,007	875
Finance position				
Total assets	Rs.'000	**77,640,489**	77,662,795	(0.03)
Net debt (excluding lease liabilities)	Rs.'000	**15,862,049**	19,214,299	(17.4)
Net debt (including lease liabilities)	Rs.'000	**32,589,357**	36,360,266	(10.4)
Total shareholders' funds	Rs.'000	**34,977,143**	31,583,206	10.7
Debt-to-equity ratio				
Interest-bearing debt (excluding lease liabilities)/equity	Times	**0.51**	0.67	
Data per issued share				
Earnings/(loss) per share	Rs.	**1.33**	(0.16)	931
Net assets per share	Rs.	**23.95**	21.61	11
Market/shareholder information				
Market price of share as at 31 March	Rs.	**16.20**	20.20	(20)
Market capitalisation	Rs.'000	**23,589,578**	29,414,164	(20)



PEOPLE

KPI-Group	Measure	FY 2025/26	FY 2024/25	% Change
Female participation in the workforce	%	**20.30**	17.07	
Female representation in leadership	%	**23.10**	20.49	
Overall PWD representation	%	**1.2**	0.4	
Workplace injuries	No.	**57**	52	10



PLANET

KPI-Group	Measure	FY 2025/26	FY 2024/25	% Change
Carbon footprint	tCO_2e	**38,075**	29,781	28
Carbon footprint per guest night	tCO_2e/GN	**21.85**	22.83	(4)
Water withdrawn	ML	**706**	676	4
Water withdrawn per guest night	Litres/GN	**405**	432	(6)
Total waste	MT	**1,693**	1,950	(13)

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

On behalf of the Board, I am pleased to share with you the highlights of the Integrated Annual Report and Financial Statements of John Keells Hotels PLC for the financial year ended 31 March 2026.

The year under review has been one of considerable achievement. Building on the recovery momentum established in prior years, the Group delivered a strong and broad-based financial performance, driven by robust growth across both our Sri Lankan Resorts and Maldivian Resorts segments. These results reflect the resilience of our portfolio, the continued execution of our strategic priorities, and the dedication of our teams across thirteen properties in delivering exceptional guest experiences. Against a backdrop of improving macroeconomic conditions in Sri Lanka, sustained growth in tourist arrivals to both destinations, and important strategic milestones including the launch of Cinnamon DISCOVERY and the divestment of Cinnamon Citadel Kandy in line with our asset-light strategy, I am proud to present what has been a transformative year for John Keells Hotels PLC.

OPERATING ENVIRONMENT

Global

Global economic growth saw a modest uptick to 3.4% in calendar year (CY) 2025, compared to 3.3% in CY2024, demonstrating resilience in the face of tariff barriers and elevated policy uncertainty. This momentum was sustained by strong technology-related investment, including in Artificial Intelligence, and the commencement of accommodative monetary policy conditions in major economies. Global inflation moderated to 4.1% in CY2025, reflecting broadly stable demand and supply dynamics.

India and China continued to anchor growth in Asia. India remained among the fastest-growing large economies on the back of robust domestic consumption and services activity, while China's growth remained more export-led. India's continued economic expansion and rising outbound travel represent a significant and durable opportunity for both Sri Lanka and the Maldives, given geographic proximity and increasing flight connectivity.

However, the escalation of conflict in the Middle East in late February 2026 introduced fresh uncertainty into the global outlook. Disruptions to the Strait of Hormuz and key regional aviation hubs created significant energy price volatility, disruptions to maritime and air travel, and a dampening of travel sentiment. These developments have materially affected near-term tourism flows, particularly from long-haul European markets, and are expected to continue to create volatility into CY2026.

Sri Lanka

Building on the recovery momentum achieved in CY2024, Sri Lanka sustained its growth trajectory in CY2025, recording real GDP growth of 5.0% for the second consecutive year, despite the adverse economic impacts of Cyclone Ditwah in late November 2025. The year was characterised by continued macroeconomic stabilisation and the sustained implementation of structural reforms under the IMF Extended Fund Facility programme, which reinforced policy discipline and supported improved operating predictability for businesses.

Inflation transitioned from deflationary conditions in late CY2024, turning positive in August 2025 and stabilising at around 2.2% by end-March 2026, well within the Central Bank's target range. Monetary conditions remained broadly supportive, with the Overnight Policy Rate maintained at 7.75% and the AWPLR at 9.39% as at end-March 2026, an increase from 8.44% in the prior year, though still at levels conducive to growth. The Sri Lankan Rupee depreciated by approximately 6.4% against the US Dollar to Rs. 315/USD during 2025/26, following two consecutive years of appreciation, driven in part by elevated imports following the relaxation of vehicle import restrictions. The currency, however, witnessed pressure post the Middle East conflict on account of lower tourism flows and higher fuel-related outflows due to the significantly higher oil prices. This depreciation had a broadly positive impact on our foreign currency-denominated revenues when translated into LKR terms.

Sri Lanka's external sector remained broadly stable, with the current account recording a marginal surplus of USD 1.7 billion. Gross official reserves strengthened further to USD 6.9 billion as at end-March 2026, providing a significantly improved external buffer. The increase was supported by multilateral funding, tourism and remittance inflows and net foreign exchange purchases by the Central Bank, together with continued adherence to the parameters under the IMF programme. The sustained implementation of governance and accountability reforms, noted by Freedom House as one of the largest improvements globally in political rights and civil liberties during 2025, contributed to a more stable and predictable operating environment.

Cyclone Ditwah, which impacted Sri Lanka in late November 2025, caused considerable loss of life and damage to infrastructure, particularly in the Central and Eastern provinces. While the full economic cost remains under assessment, the tourism sector demonstrated its resilience, with December recording the highest monthly tourist arrivals for the year. The Group extended support to affected communities alongside the broader contribution of Rs. 500 million by John Keells Holdings PLC and its affiliated companies towards the Government's 'Rebuilding Sri Lanka' initiative.

Maldives

The Maldives economy expanded by 5.4% in CY2025, driven by growth in the transportation and communications sector alongside positive contributions from tourism and public administration. Tourism remained the dominant contributor to GDP at approximately 22-25%. Tourist arrivals to the Maldives increased by 9.8% to reach 2.25 million visitors in CY2025,

with China, Russia, and the United Kingdom as the leading source markets. In July 2025, the new Terminal 2 at Velana International Airport commenced operations, expanding the airport's annual passenger capacity to over 7 million and significantly improving inter-island connectivity and operational efficiency.

Competition in the Maldivian market continued to intensify, with the number of operational resorts increasing from 91 in 2020 to 175 in 2025. The regulatory framework remained broadly stable, with the exception of an increase in the Tourism Goods and Services Tax from 16% to 17% with effect from July 2025. Near-term headwinds have emerged from the escalation of geopolitical tensions in the Middle East in late February 2026, which has disrupted long-haul travel flows, particularly from European markets that transit through Gulf hubs.

Tourism - Sri Lanka

Sri Lanka's tourism sector continued on an impressive trajectory during the year under review. Tourist arrivals for CY2025 rose by 15% to 2.36 million, surpassing the pre-COVID peak and marking the highest level of arrivals in the country's history. Arrivals for the financial year 2025/26 stood at 2,380,879, representing a 11% increase over the prior year. Tourism earnings in CY2025 increased to USD 3.22 billion, the highest since CY2019, while the average duration of stay increased to 8.3 nights. Tourist arrivals continued its momentum in the first two months of 2026, although arrivals moderated materially from March 2026 onwards with the onset of the Middle East conflict.

India remained the dominant source market with 531,511 arrivals in CY2025, a 27% increase over 2024, reflecting the critical role of geographic proximity, improving air connectivity, cultural affinity, and targeted marketing. The United Kingdom ranked as the second largest source market in CY2025 with 212,277 arrivals (+19%), overtaking Russia, which recorded a 8% decline. Other notable growth markets included Australia (+22%), France (+23%), the Netherlands (+28%), and Bangladesh (+51%). Occupancy for star-class properties in Sri Lanka increased to 63% in CY2025 from 59% in CY2024, while tourism earnings reached their highest level since 2019.

Sri Lanka received strong international recognition in CY2025, with the country ranked 9th among the best places to travel by BBC Travel, featured in TIME Magazine's 'World's Greatest Places 2025', and with Sigiriya named the most welcoming city in the world by Booking.com. Jaffna was listed among Lonely Planet's top cities to visit in 2026, and Sri Lanka was featured in Travel + Leisure's '50 Best Places to Travel in 2026'. These endorsements underscore the growing global appeal of Sri Lanka as a diverse and compelling destination.

"Sri Lanka's tourist arrivals surpassed the pre-COVID peak in CY2025, reaching 2.36 million - the highest level in the country's history and a testament to the destination's growing global appeal. "

However, tourist arrivals in March 2026 declined 19.7% year-on-year, reflecting both seasonality and uncertainties arising from the conflict in the Middle East and consequent disruptions to air connectivity. Notwithstanding this near-term volatility, underlying demand fundamentals should remain intact in the context of strong tourism potential in the region where Sri Lanka remains well-positioned to benefit from continued growth in short- to medium-haul travel, which remains a strategic priority for us.

Tourism - Maldives

The Maldives recorded its strongest tourism year in CY2025, with arrivals reaching 2.25 million, a 9.8% increase over 2024, and tourism receipts expected to exceed USD 5.4 billion, reflecting 15.8% year-on-year growth. Whilst these headline figures are encouraging, the underlying accommodation data reveals a more nuanced picture relevant to our business. Resort bed nights across the destination declined marginally, with resort occupancy easing from 71.0% to 68.3%, whilst guesthouse bed nights surged by 16.3% from ~ 1.9 million to ~2.2 million. The record growth in visitor arrivals was therefore absorbed almost entirely by the guesthouse sector rather than resorts, reflecting a structural shift in the destination's accommodation demand that we are actively monitoring and responding to through our continued investment in product quality and guest experience.

The operating environment was impacted from March 2026 onwards, as the West Asia conflict disrupted key Middle Eastern transit routes, resulting in a 20.7% year-on-year decline in destination arrivals for the month and estimated sector-wide losses exceeding USD 500 million. Notwithstanding this near-term headwind, we remain confident in the long-term fundamentals of the Maldives as a destination, and our portfolio is well positioned to benefit as air connectivity normalises and travel confidence recovers.

A RESILIENT OUTCOME

The Group delivered a strong financial performance in 2025/26, with growth across revenue, EBITDA, and profitability in both our Sri Lankan and Maldivian Resorts segments.

Sri Lankan Resorts

The Sri Lankan Resort Cluster delivered a strong performance in 2025/26, with revenue expanding by 17% to Rs. 13.1 billion, underpinned by a 4.2% increase in RevPAR. Beach Resorts were a particular standout, with RevPAR growth of 19% as traveller preferences shifted towards coastal destinations following Cyclone Ditwah's impact on central Sri Lanka. Round-trip

"Sri Lankan Resorts revenue grew 17% to Rs. 13.1 billion, with EBITDA expanding 44% to Rs. 3.3 billion - a landmark year for the Cluster."

Resort RevPAR also increased by 1%, reflecting the Cluster's strategic focus on delivering differentiated, destination-led guest propositions.

Strong revenue growth, combined with disciplined cost management and operating leverage, supported a 44% expansion in EBITDA to Rs. 3.3 billion in 2025/26. Profit after tax for the Sri Lankan Resorts Cluster was Rs. 1.7 billion, compared to Rs. 24.4 million in the previous year, with lower interest costs in the prevailing accommodative rate environment also contributing to this improvement. The performance of the Cluster reflects a favourable tourism environment alongside the consistent execution of our strategy to deliver exceptional, culturally immersive guest experiences across our resort portfolio.

Maldivian Resorts

The Maldivian Resorts Cluster recorded a 6% increase in revenue to Rs. 19.2 billion in 2025/26, underpinned by healthy tourist arrivals to the Maldives during the year and the Cluster's strategic efforts to drive growth amidst intensifying competition. RevPAR for the Cluster increased by 9% during the year. Revenue growth and a stringent emphasis on cost management supported a 9% increase in EBITDA to Rs. 5.7 billion. Profit after tax increased to Rs. 214 million in 2025/26, from a loss of Rs. 247 million in the previous year.

A significant milestone during the year was the upgrade of Cinnamon Hakuraa Huraa to five-star status, including the introduction of a new beach restaurant, additional bars, enhanced dining concepts, and the strategic re-positioning of the property as an adults-only resort. This repositioning enables entry into a highly niche, premium market segment and is expected to support enhanced yields going forward. Our other properties, Cinnamon Dhonveli Maldives, Cinnamon Velifushi Maldives, and Ellaidhoo Maldives by Cinnamon, continued to leverage their unique location-based value propositions to deliver exceptional guest experiences, as reflected in a Net Promoter Score of 77.72 in 2025/26.

Group Performance

At the Group level, total revenue for 2025/26 was supported by growth across both clusters. The Group's performance reflects the strength of our diversified, multi-destination portfolio, with Sri Lankan Resorts contributing to broad-based growth, while the Maldivian Resorts segment continued to deliver strong operating results in a competitive environment. This complementary portfolio of assets positions the Group well to navigate short-term disruptions while participating in the long-term structural growth of tourism in both Sri Lanka and the Maldives.

STRATEGIC MILESTONES

Asset-Light Strategy - Divestment of Cinnamon Citadel Kandy

In March 2026, the Group divested its entire 98.39% equity stake in Kandy Walk Inn Limited (KWIL), the owning company of Cinnamon Citadel Kandy, for consideration of Rs. 2.78 billion, to Lavendish Leisure, the hospitality arm of the Dedigama Group in Sri Lanka. The gain on disposal was Rs. 1.13 billion. Under the terms of the agreement, the hotel will continue to be managed under the Cinnamon Hotels & Resorts brand for a minimum of 12 months. This divestment is a significant step in the execution of our asset-light strategy, optimising our capital allocation towards properties aligned with our long-term portfolio positioning. The proceeds are expected to be reinvested in upgrading our hotel portfolio in line with the strategic positioning and long-term outlook of our properties.

Cinnamon DISCOVERY Loyalty Programme

The launch of Cinnamon DISCOVERY — our strategic loyalty programme within the Global Hotel Alliance (GHA) DISCOVERY network — was a defining milestone during 2025/26. In its first year alone, the programme achieved over 66,000 member enrolments across the portfolio, reflecting strong market acceptance and rapid guest adoption. Notably, 47% of newly enrolled members were Sri Lankan members, highlighting the programme's strong domestic appeal and its success in positioning Cinnamon as the preferred brand for leisure and resort experiences among local travellers.

Cinnamon Hotels & Resorts distinguished itself within the GHA network by successfully converting loyalty enrolments into repeat business from the outset. Repeat business accounted for 14% of total loyalty contribution across the Group, with Sri Lanka Resorts achieving a 16% repeat business rate within the first year. Cross-brand contribution from members of other GHA DISCOVERY brands accounted for 19% of overall loyalty revenues across the Group and 17% within Sri Lanka Resorts, demonstrating the value of the global alliance network in driving incremental guest traffic and expanding brand reach. Revenue performance from the programme came in ahead of projections, reinforcing Cinnamon DISCOVERY as a key commercial and customer retention platform.

FOSTERING HUMAN POTENTIAL THROUGH A CULTURE OF EMPOWERMENT

Our people remain the cornerstone of our success, and the year under review saw continued and meaningful investment in talent development, succession planning, and building an empowering and inclusive workplace culture. The development of 'CARE', our enhanced colleague value proposition, and focused strategies to develop the managerial capabilities of our team represented important steps in strengthening our talent pipeline.

Championing diversity remained central to our purpose. Female representation within the Sri Lankan Resorts Cluster increased to 18% in 2025/26, significantly above the industry average of 10%, reflecting the sustained impact of our inclusivity initiatives. The EmpowHer campaign continued to drive meaningful dialogue and action towards greater female participation across leadership and operational roles. The Maldivian Resorts Cluster also progressed its diversity agenda, with female representation at 19.3%.

The Living Our Values initiative continued to embed our values throughout the employee journey across all Cinnamon properties, with the Hall of Greatness celebrating colleagues who exemplify our culture. The Colleague Assistance Programme, in partnership with Sri Lanka Sumithrayo, continued to provide meaningful wellbeing support, ensuring that our people feel supported both at work and beyond. Amendments to the Shop and Office Employees Act permitting women to work night shifts further expanded our talent pool and created new opportunities for workforce participation across our properties.

DRIVING OPERATIONAL EXCELLENCE

The Group continued to harness technology and data-driven insights to build a more agile, efficient, and high-performing business model. The OCTAVE use cases focused on energy efficiency, targeted online marketing, and waste reduction in Food & Beverage operations — were rolled out during 2025/26 following successful pilots in 2024/25. In Beach Resorts, these use cases translated into measurable improvements in both menu performance and energy consumption. A unified Data Lake House continued to provide real-time access to multi-dimensional dashboards and reporting views for our Commercial teams, enabling more agile and data-informed decision-making.

Marketing strategies were strengthened through targeted digital initiatives, with a structured first-party data strategy and deeper customer relationship management integration, enhancing audience targeting, personalisation, and media efficiency. A price-match feature was embedded within the booking journey, and web personalisation tools were deployed to enhance on-site guest engagement. Automation was expanded through real-time performance dashboards and lifecycle-based marketing workflows spanning pre-arrival, in-stay, and post-stay engagement.

Our channel strategy continued to evolve, with a diversified approach across travel agents, online travel agencies, metasearch engines, and Brand.com, ensuring optimised margin management and reduced over-reliance on any single channel. In the Maldives, the channel strategy focused on strengthening long-term partnerships with travel agents in strategic markets while driving direct guest engagement. Cinnamon DISCOVERY further strengthened our direct booking capability and guest loyalty infrastructure across both clusters.

CULTIVATING A GREENER TOMORROW

Environmental stewardship remains deeply embedded across all aspects of our operations, and the year under review saw continued progress against our sustainability commitments in both Sri Lanka and the Maldives.

In our Sri Lankan properties, advanced data analytics use cases implemented during the year supported a reduction in energy consumption and improved menu performance to reduce food waste across Beach Resorts. The Cinnamon Rainforest Restoration Project continued to make progress in reforesting 59 acres in the wet zone, creating a safe haven for endemic and endangered species through assisted natural regeneration. Regulatory measures on reducing plastic waste came into effect during the year, and the Company continued to implement initiatives to encourage reusable alternatives.

In the Maldives, approximately 3.57% of the Cluster's energy needs are currently met through renewable energy sources, and over 82% of single-use plastic has been eliminated across operations as at end-March 2026. All Maldivian properties operate wastewater treatment plants enabling recycling and reuse. A key commitment for 2026/27 is the transition of Cinnamon Hakuraa Huraa Maldives to 100% renewable energy reliance through a partnership with a pioneer in marine floating solar solutions, a landmark step in our decarbonisation journey. Coral reef restoration initiatives at our Maldivian resorts continue to preserve reef systems vital to biodiversity, coastal resilience, and the long-term sustainability of the tourism economy.

Looking ahead, the mandatory adoption of SLFRS S1 and SLFRS S2 relating to sustainability and climate-related financial disclosures will apply to John Keells Hotels PLC from the financial year commencing 1 April 2026. In preparation for full adoption, we have strengthened our data governance frameworks, measurement capabilities, and climate-related risk identification across the Group.

CREATING SPACES OF BELONGING

We continued to prioritise employee well-being, community engagement, and inclusive development as core pillars of our social strategy. Across our Sri Lankan and Maldivian properties, the Group engaged with local communities through impactful initiatives aimed at improving economic opportunities, with the Sri Lankan Resorts Cluster reaching 1,656 beneficiaries and the Maldivian Resorts Cluster reaching 1,179 beneficiaries through community empowerment programmes.

Our commitment to fostering a more equitable workforce, supporting marginalised groups, and strengthening local communities through education, employment, and supplier development remained unchanged. In the Maldives, community engagement initiatives encompassed investments of Rs. 2.69 million in community empowerment, reflecting our belief that sustainable tourism must deliver meaningful value to the communities in which we operate.

CHAIRPERSON'S MESSAGE

RECOGNITION

Our unwavering commitment to building a truly sustainable, responsible, and guest-centric brand has continued to earn us both local and international recognition during 2025/26.

In Sri Lanka, Cinnamon Lodge Habarana and Habarana Village by Cinnamon received the Travelife Gold Certification, affirming the highest standards of sustainable tourism management. Cinnamon Bey Beruwala and Cinnamon Wild Yala were recognised as Winners at the Tripadvisor Travellers' Choice Awards 2025. At the South Asian Travel Awards (SATA) 2025, Cinnamon Lodge Habarana received Gold for 'Leading Eco-Friendly Hotel/Resort', Cinnamon Wild Yala received Gold for 'Leading Wildlife Tented Lodge Hotel/Resort', Cinnamon Bentota Beach – Signature Selection received Silver for 'Leading Designer Resort/Hotel', and Cinnamon Citadel Kandy received Silver for 'Leading Riverfront Hotel/Resort'.

In the Maldives, Cinnamon Dhonveli Maldives and Cinnamon Velifushi Maldives received the SATA 2025 Gold Award for 'Leading Surf Resort' and 'Leading Beach Resort' respectively. Both also received Booking.com Traveller Awards. The HolidayCheck Awards 2026 were received by Ellaidhoo Maldives by Cinnamon. Cinnamon Dhonveli Maldives received the TUI GHA 2025 Certificate, while Cinnamon Hakuraa Huraa Maldives was ranked among the Top 100 Hotels at the TUI Global Hotel Awards 2025 and received the TTM Awards 2025 for Best Adults Only Resort.

These accolades are a reflection of the passion, innovation, and consistent efforts of our teams to deliver meaningful impact across sustainability, guest experience, and brand excellence.

CORPORATE GOVERNANCE

Sound governance and ethical leadership remain cornerstones of our corporate philosophy. The Group adheres to its Code of Business Conduct and Ethics, aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no material violations of the Code during the year under review, and we remain firmly committed to upholding the Group's zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination.

The Board sub-committees established in 2024/25 to enhance subsidiary-level oversight continued to function effectively, while the Parent Company's Board Committees retained their overarching oversight role to ensure consistency with the Group's principles of transparency, accountability, and sound governance. The Group continued to align with the JKH Group's data governance framework in compliance with the Personal Data Protection Act No. 09 of 2022, and financial governance was further strengthened through the forensic data analytics platform for automated outlier detection.

INTEGRATED REPORTING

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors is responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability, and integrity of the information presented, and external assurance has been sought from independent auditors, as applicable. In preparation for the mandatory adoption of SLFRS S1 and SLFRS S2 from the financial year commencing 1 April 2026, we have proactively begun disclosing selected climate and sustainability-related information in alignment with the requirements of these standards.

FUTURE FOCUS

Global Tourism

Over the medium to long term, the structural outlook for global tourism remains favourable, underpinned by growth in outbound travel from emerging economies particularly India and other Asian markets expanding air connectivity, and continued investments in tourism infrastructure. Industry trends are increasingly shaped by evolving traveller preferences towards experiential travel, sustainability-focused tourism, and wellness-oriented experiences. The integration of digital technologies and data-driven personalisation is also expected to play an increasingly important role in shaping the global travel ecosystem.

In the near term, however, the conflict in the Middle East has introduced uncertainty, with its impact on aviation networks and travel sentiment creating headwinds for long-haul tourism markets. Potential additional headwinds include elevated transport and accommodation costs, volatile oil prices, and the continued emphasis on climate resilience and responsible travel across the industry.

Sri Lanka Economy and Tourism

Sri Lanka's medium-term economic outlook remains cautiously optimistic. Continued implementation of IMF-backed reforms, strengthening external buffers, and improving macroeconomic fundamentals provide a credible platform for sustained growth. CBSL expects inflation to return to its 5% target by the second quarter of 2026, and monetary conditions are expected to remain broadly supportive of growth.

We have already implemented strategic interventions to build brand presence in previously untapped markets, strengthen our presence in India given its proximity and potential, and drive domestic demand to build resilience against long-haul market volatility. The construction of Terminal 2 at Bandaranaike International Airport is expected to recommence in CY2026 following JICA-supported bid evaluations. Once completed, Terminal 2 will expand BIA's annual passenger handling capacity to over 15 million, a critical infrastructure development for sustaining the long-term growth of Sri Lanka's tourism

sector. Under a five-year plan to 2030, the Government aims to attract more than 5 million visitors and generate approximately USD 8 billion in annual tourism revenue.

Sri Lanka's diverse natural, cultural, and wellness offerings, combined with its strategic geographic location and destination affordability, continue to position it as an increasingly competitive and experiential tourism destination within South Asia. The Group remains confident in the long-term prospects for Sri Lanka's tourism sector, and our portfolio of resort properties is well-positioned to benefit from the continued growth in arrivals across cultural, nature, wildlife, wellness, and coastal tourism segments.

Maldives Tourism

While disruptions and uncertainties arising from the conflict in the Middle East are expected to temper performance in 2026/27, the medium-term outlook for Maldivian tourism remains positive. The Maldives' unique position as a world-class luxury island destination, with strong and diversified source markets, continued demand for premium and honeymoon experiences, and improving infrastructure following the opening of the new terminal at Velana International Airport, provides a solid foundation for sustained growth.

The Group will continue to focus on strengthening its brand position in high-potential markets, particularly India given its proximity to the Maldives and substantial outbound travel demand. The planned transition of Cinnamon Hakuraa Huraa to 100% renewable energy reliance will further differentiate the property within the growing segment of sustainability-conscious luxury travellers. Capital investments across the Cluster will remain selective and measured, with a focus on targeted product enhancements that drive RevPAR improvement while maintaining capital discipline.

Strategic Priorities

Our strategic priorities for the year ahead remain consistent with 2025/26. We will continue to differentiate our guest offerings through destination-led, thoughtfully curated travel experiences across both Sri Lanka and the Maldives, optimise our channel mix for margin maximisation, and pursue our asset-light model for portfolio management. Building talent pipelines to support growth, leveraging technology and advanced data analytics to drive operational efficiency and sustainability, and maintaining a strong commitment to minimising our environmental footprint and empowering local communities will remain key focus areas. The expansion of Cinnamon DISCOVERY into dining benefits and the broader lifestyle proposition in 2026/27 will further strengthen our guest engagement and loyalty infrastructure.

DIVIDENDS

The Board of Directors declared a final dividend of Rs 0.35 per share for the financial year ended 31 March 2026. In determining the appropriate distribution to shareholders, the Board carefully reviewed the Group's financial performance and capital requirements. This decision reflects the Group's commitment to delivering sustainable value to shareholders while preserving the financial flexibility required to support the execution of its strategic priorities.

CHANGES TO THE BOARD

Mr. M. R. Svensson, Non-Independent Non-Executive Director, resigned with effect from 31 August 2025, and Mr. S. Rajendra, Non-Independent Non-Executive Director, resigned with effect from 31 December 2025 consequent to his retirement from the John Keells Group. The Board wishes to place on record its deep appreciation for the invaluable contributions made by each of them during their tenures. Mr. N.N. Mawilmada was appointed as a Non-Independent Non-Executive Director with effect from 8 September 2025, and we welcome his guidance and expertise to the Board.

ACKNOWLEDGEMENTS

I take this opportunity to thank my colleagues on the Board for their invaluable guidance and constant support. I also wish to convey my appreciation to our management team and all our colleagues across our thirteen properties in Sri Lanka and the Maldives for their untiring effort, dedication, and commitment to excellence.

Finally, I wish to convey my sincere appreciation to all our stakeholders our valued guests, tour partners, shareholders, and the communities in which we operate for their continued confidence and support.



K N J Balendra
Chairperson

26 May 2026



RESPONSIBLE PERFORMANCE

Embracing Tomorrow

Strategy is a direction, chosen with clarity and held with conviction. At John Keells Hotels, our strategic approach is grounded in a deep reading of the world: how travel is changing, what guests are seeking, and where long-term value lies.

The mountain does not rush, and neither does a vision built to last; from the stillness of elevated terrain, every horizon becomes a destination worth pursuing.



RESPONSIBLE PERFORMANCE

Business Model
- How We Create Value 18
- The Cinnamon Experience 20
- Our Business Model 26

Listening to Our Stakeholders 32

VALUE CREATION MODEL

Our Inputs

HUMAN CAPITAL

An engaged and committed team

- **2,372** colleagues in Sri Lanka
- **668** colleagues in the Maldives
- **Rs. 77 Mn** investment in training and development

FINANCIAL CAPITAL

- **Rs. 34.9 Bn** Shareholders' funds
- **Rs. 17.8 Bn** Debt

INFRASTRUCTURE

- **1,229** keys across **9 resorts** in Sri Lanka
- **450** keys across **4 resorts** in Maldives
- **Rs. 31 Bn** Property, Plant and Equipment

DIGITAL ASSETS

- A digital ecosystem for operational excellence
- A unified data platform to support data analytics
- www.cinnamonhotels.com

PARTNERSHIPS

The relationships we have nurtured with our guests, suppliers, business partners and the local community

INTELLECTUAL CAPITAL

- A globally recognised brand.
- Certifications and accreditations

NATURAL CAPITAL

- The rich biodiversity within our properties
- **298,091.26GJ** energy consumed
- **141.17 Ml** water consumed

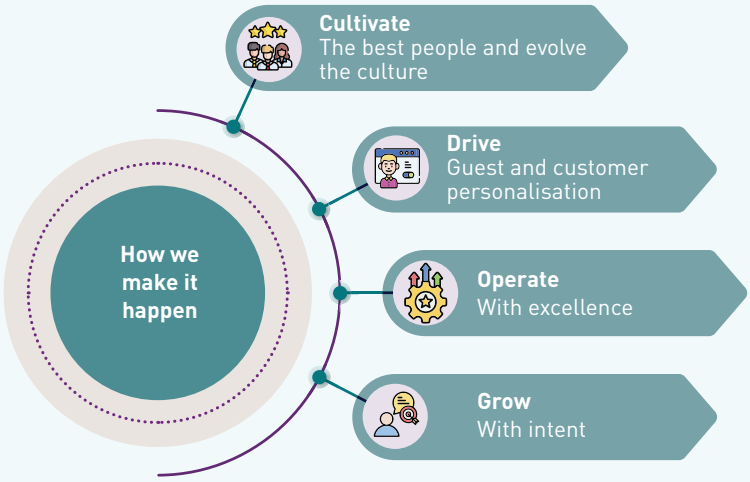
Value Transformation Process

WHAT WE DO

We curate emotional experiences to inspire stories that connect

WHY WE DO IT

To bring the best of Sri Lanka to the world with style and elegance



Underpinned by

Sound Corporate Governance | Values | Robust Risk Management | Responsible Practices

Greatness · Trust · Compassion · Agility · Curiosity · Wellbeing · Inclusivity



Outputs

74.6%
Occupancy

842,982
Guest Nights

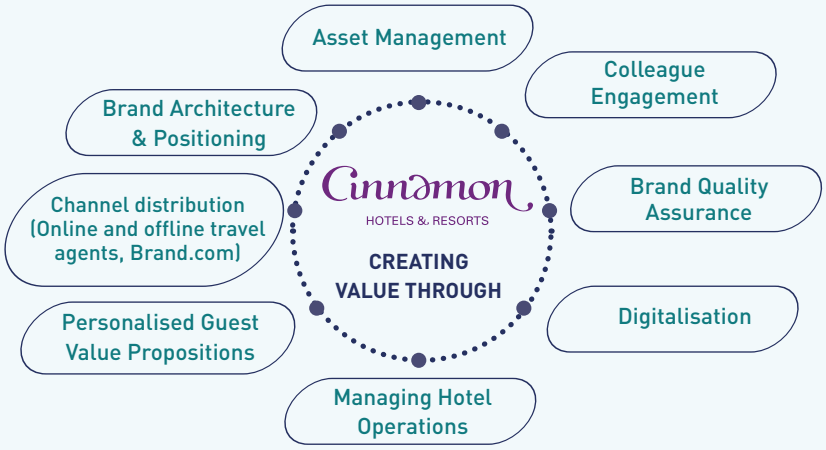


Impacts

1,692.50 Mt
Waste

536.95 ML
Effluents

38,074.94 tCO_2e
Carbon Footprint





Outcomes

GUESTS

High levels of guest satisfaction

- Net promoter score – **71.74 (+0.97%)**
- Global review index – **94.40% (+0.15%)**
- Loyalty members – **66,000**

PEOPLE

A valued and inspired team

- Payments to colleagues – **Rs. 5,434 Mn (+5%)**
  - Sri Lanka **Rs. 2,509 Mn (+7.5%)**
  - Maldives **USD 9.6 Mn (+1.1%)**
- Training hours per colleague in 2025/26 – **59.01 (-21.32%)**
- Female representation in the workforce – **20.3% (+3.3%)**

PROSPERITY

Investors

- Revenue – **Rs. 32,289 Mn (+10%)**
- EBITDA – **Rs. 10,086 Mn (+34.5%)**
- PAT – **Rs. 1,950 Mn (+976%)**

Communities

Uplifted local communities through impactful engagement.

- Individuals positively impacted **2,835 (65%)**

Suppliers

Empowered local communities through local procurement

- Payments to suppliers – **Rs. 26,094 Mn (+26%)**
- % of supplier base from local communities **87.06% (+20.56%)**

PLANET

Improved environmental outcomes

- Conservation of marine and terrestrial biodiversity.
- **All** Sri Lankan properties Travelife Gold certified
- **3** properties LEED certified
- Energy consumption – **298,091.26GJ (+7.97%)**
- Carbon footprint **38,074.94 tCO_2e (+7.23%)**
- Water withdrawal **705.83 ML (+4.36%)**
- Waste directed to landfills **320.75 Mt (+147.21%)**

THE CINNAMON EXPERIENCE

What we do

Curate emotional experiences to inspire stories that connect

Cinnamon HOTELS & RESORTS

We curate memorable, personalised guest experiences that celebrate the way of life, creativity and traditional cuisine of each destination we operate in. Delivered with Sri Lankan hospitality and refined luxury, alongside a deep commitment to environmental stewardship and community empowerment, these experiences have transformed our properties into inspiring destinations for experience, education, entertainment and enlightenment.



"We are the HEART of every destination we are in"

We know every nook and corner that must be explored in every place we call home.

We celebrate the cuisine, culture and creativity of each locale we occupy.

We empower and uplift the communities we reside in.

We are the source of experience, education entertainment and enlightenment wherever we exist.

OUR PORTFOLIO OF PROPERTIES

Sri Lanka

Beach properties	Round-trip properties
4 properties	**5** properties
570 keys	**659** keys

40%
Contribution to Group revenue

36%
Segment assets

Maldives

4 properties

450 keys

60%
Contribution to Group revenue

64%
Segment assets

Our portfolio of properties is strategically positioned across distinct market segments.

Signature Selection, our premium tier of designer hotels, embodies luxurious personalised guest experiences that celebrate the rich culture, cuisine, artistry and heritage of Sri Lanka. Charismatic indoor and garden spaces adorned with original artwork by local artists, distinctive wellness propositions inspired by traditional healing rituals, and an authentic Sri Lankan culinary journey offered through Signature restaurants, bars and lounges refine and elevate our hospitality proposition to premium standards.

Cinnamon BENTOTA BEACH
SIGNATURE SELECTION

Our portfolio of 13 five and four-star properties in Sri Lanka and the Maldives celebrates the rich cultural heritage and natural beauty of each locale through personalised guest experiences.



We create authentic connections by bringing to life the real stories of our colleagues and communities.



Varied and vibrant dining experiences that artfully blends the rich flavours and time-honoured culinary traditions of Sri Lanka with a diverse selection of international cuisines.



We leverage deep destination knowledge to offer guests authentic experiences that capture the true spirit of Sri Lanka and the Maldives.



Through our expert naturalists, we curate experiences that connects guests to the rich biodiversity of Sri Lanka and the Maldives while actively engaging guests in our conservation programmes.



Curated cultural experiences showcase Sri Lanka's rich history and cultural heritage while offering a glimpse into traditional living in the Maldives.

Sustainability is deeply integrated into the Cinnamon hospitality experience, with clearly defined priorities driving action across environmental impact management, community engagement and ethical business conduct.



Environment

Our commitment to environmental sustainability is reflected in flagship initiatives such as the Cinnamon Rainforest Project, which has nurtured the restoration of 59 acres of forested land in Suduwelipotha, Sri Lanka as well as property-level initiatives to conserve the rich marine and terrestrial biodiversity living within and in proximity to our properties. A conscious focus on managing our environmental impacts also underscore our environmental commitment.



Social

Female representation of 20.3% which stands well above the industry average of 10% reflect our commitment to equal opportunity and women empowerment.

Meanwhile, a sourcing strategy that procures over 87% of our supplies from local communities and focused community engagement initiatives have empowered and uplifted communities living in the vicinity of our properties.



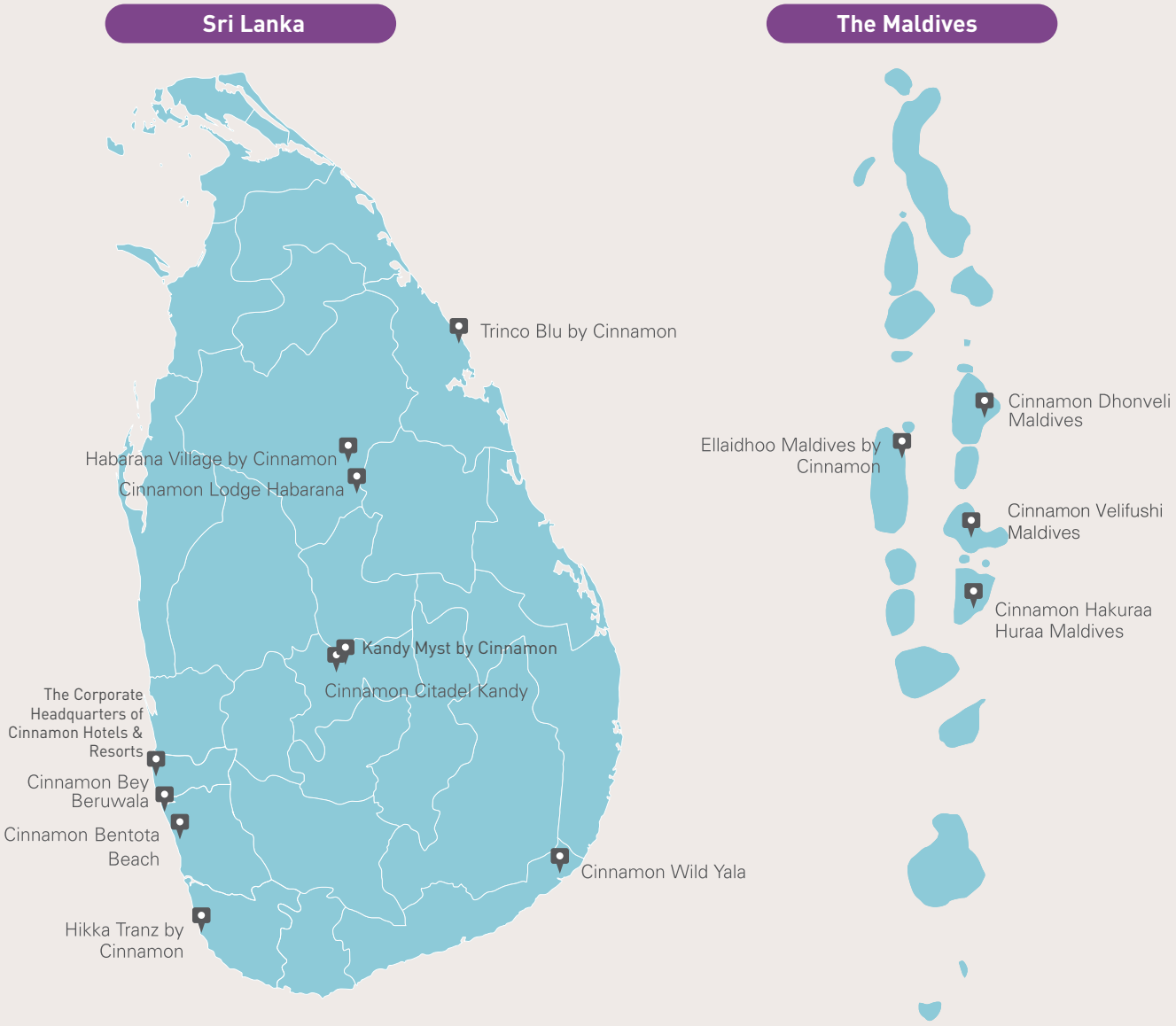
Governance

A commitment to high standards of corporate governance and transparency supports ethical business practices and integrity in every transaction we engage in. Our operations comply with all laws and regulations while aligning with industry standards and best practice. We also proactively engage with key stakeholders to ensure accountably and responsible business conduct across our operations.

THE CINNAMON EXPERIENCE

OUR PRESENCE

Our presence across Sri Lanka and the Maldives is presented below.



9
Properties in Sri Lanka

1,229
No. of Keys Sri Lanka

4
Properties in the Maldives

450
No. of keys in the Maldives

SRI LANKA
Beach Properties



Cinnamon Bentota Beach - Signature Selection

Signature Selection I 155 Rooms I Geoffrey Bawa

A Signature Selection retreat by Cinnamon Hotels & Resorts, where Geoffrey Bawa's timeless design meets serene river and ocean luxury. Cinnamon Bentota Beach - Signature Selection is the Group's flagship heritage beach resort and among Sri Lanka's most architecturally significant properties. The hotel offers four restaurants, the Kurundu Wellness & Spa, rooted in Sri Lanka's healing traditions, a Kids' Club, and an events ballroom for up to 300 guests.

Cinnamon Bey Beruwela

Beach I West Coast I Resort

Cinnamon Bey Beruwala anchors the Group's presence on Sri Lanka's west coast, offering a beach resort experience on Beruwala's golden shoreline with a strong emphasis on ocean-facing leisure and coastal dining. The property performs well as an all-inclusive option and benefits from its proximity to Colombo, making it a natural destination for both short domestic breaks and longer international beach holidays.





Cinnamon Wild Yala

Wildlife I Yala I Wildlife Resort

Bordering the renowned Yala National Park, Cinnamon Wild Yala is the Group's wildlife destination, a resort defined by leopard sightings, open skies, and the raw energy of the surrounding national park. The property serves a distinct guest segment driven by wildlife and nature travel, and benefits from Yala's status as one of the highest-density leopard habitats in the world. Its all-inclusive offer, combined with early-bird and last-minute rate management, supports occupancy across Yala's relatively short but high-demand peak season.

Hikka Tranz by Cinnamon

Beach I South Coast I Active

Hikka Tranz by Cinnamon brings an energetic, contemporary character to Sri Lanka's south coast, with a product built around beach activity, coral reef snorkelling, and a vibrant social atmosphere in Hikkaduwa. The property is positioned at the livelier end of the Group's beach portfolio, attracting a younger and more active guest profile alongside international travellers drawn to the south coast's reef and surf culture.



THE CINNAMON EXPERIENCE

SRI LANKA
Round-trip properties



Trinco Blu by Cinnamon

Beach I East Coast I Marine

Trinco Blu by Cinnamon establishes the Group's presence on Sri Lanka's east coast, where the Trincomalee season runs counter to the west, providing a strategic seasonal complement within the portfolio. The property is built around the east coast's marine offering: clear waters, snorkelling at Pigeon Island, and some of the island's most consistent beach conditions during the April-to-September window. As East Coast tourism continues to develop, this property holds a meaningful position as the destination matures.



Habarana Village by Cinnamon

Village I Nature I 53 Acres

Set across 53 acres, Habarana Village by Cinnamon captures the unhurried pace of Sri Lankan village life through rustic bungalow-style accommodation nestled among dense greenery and open gardens. The property is currently marking its 50th anniversary, a milestone that underscores its long-standing position within both the portfolio and the broader Sri Lankan tourism landscape. It sits in the same destination catchment as Cinnamon Lodge Habarana, allowing for two distinct product tiers within the Cultural Triangle.

Cinnamon Lodge Habarana

Nature I Cultural Triangle I Heritage

Inspired by the ancient Ritigala Monastery and located less than 30 minutes from Sigiriya, Cinnamon Lodge Habarana is the Group's flagship nature and heritage property in Sri Lanka's Cultural Triangle. The resort is designed around the rhythms of the surrounding landscape, barefoot mornings, elephant encounters, and proximity to Dambulla and the ancient cities. It holds strong appeal for both international heritage travellers and the growing segment of domestic guests seeking a nature-immersive break.



Cinnamon Citadel Kandy (Divested on 31 March 2026)

Heritage I Riverside I Cultural

Fashioned after a colonial walauwa estate, Cinnamon Citadel Kandy retains elements of its original architecture and offers guests an authentic glimpse into the city's heritage character set against a riverside setting at the foot of the hill country. The property serves as the Group's established heritage anchor in Kandy, providing an architectural counterpoint to the more contemporary Kandy Myst by Cinnamon. Its positioning appeals to culture-led travellers and those seeking a sense of place rooted in Kandy's history.



Round-trip properties



Kandy Myst by Cinnamon

4-Star I 215 Rooms I Contemporary

A contemporary 4-star hotel positioned above the city with a heated rooftop infinity pool, sweeping hill-country views, and direct access to Kandy's cultural landmarks, including the Temple of the Sacred Tooth Relic. With 215 rooms across city-view and mountain-view categories, the hotel offers a modern product that complements the Group's existing presence in Kandy.

MALDIVES



Cinnamon Velifushi Maldives

Seclusion I Water Bungalows I All-inclusive

Set in the more remote Vaavu Atoll, Cinnamon Velifushi Maldives is the portfolio's most isolated and aspirational Maldives property — positioned around overwater bungalow accommodation, white sand beaches, and the kind of open-ocean seclusion that defines the classic Maldives fantasy. The resort is built for guests who prioritise distance from the world, with a product centred on water bungalows, marine experiences, and a restful pace — accessible by seaplane, which itself forms part of the experience rather than merely a transfer.



Cinnamon Hakuraa Huraa Maldives

Romance I Adults-only island I Two-island resort

Cinnamon Hakuraa Huraa Maldives is a two-island, premium resort in the Meemu Atoll, surrounded by one of the largest shallow lagoons in the Maldives, making it the portfolio's most defined romance and honeymoon property. It offers dedicated offer packages and is secluded within the Meemu Atoll, accessible by domestic flight. The two-island structure provides meaningful product segmentation within a single resort, allowing the property to serve both honeymooners seeking privacy and guests who prefer a more social resort atmosphere, with dedicated water bungalows and overwater accommodation across both islands.



Ellaidhoo Maldives by Cinnamon

Diving I House Reef I Ari Atoll

Ellaidhoo Maldives by Cinnamon is situated at the edge of the Maldives' largest natural atoll and serves as the brand's primary diving and marine hub, featuring what the property calls one of the Maldives' best house reefs, accessible directly from the beach. Located in Ari Atoll, it offers guests access to renowned dive sites where whale sharks, manta rays, and vibrant coral ecosystems attract visitors whose main interest is the underwater experience rather than overwater views.



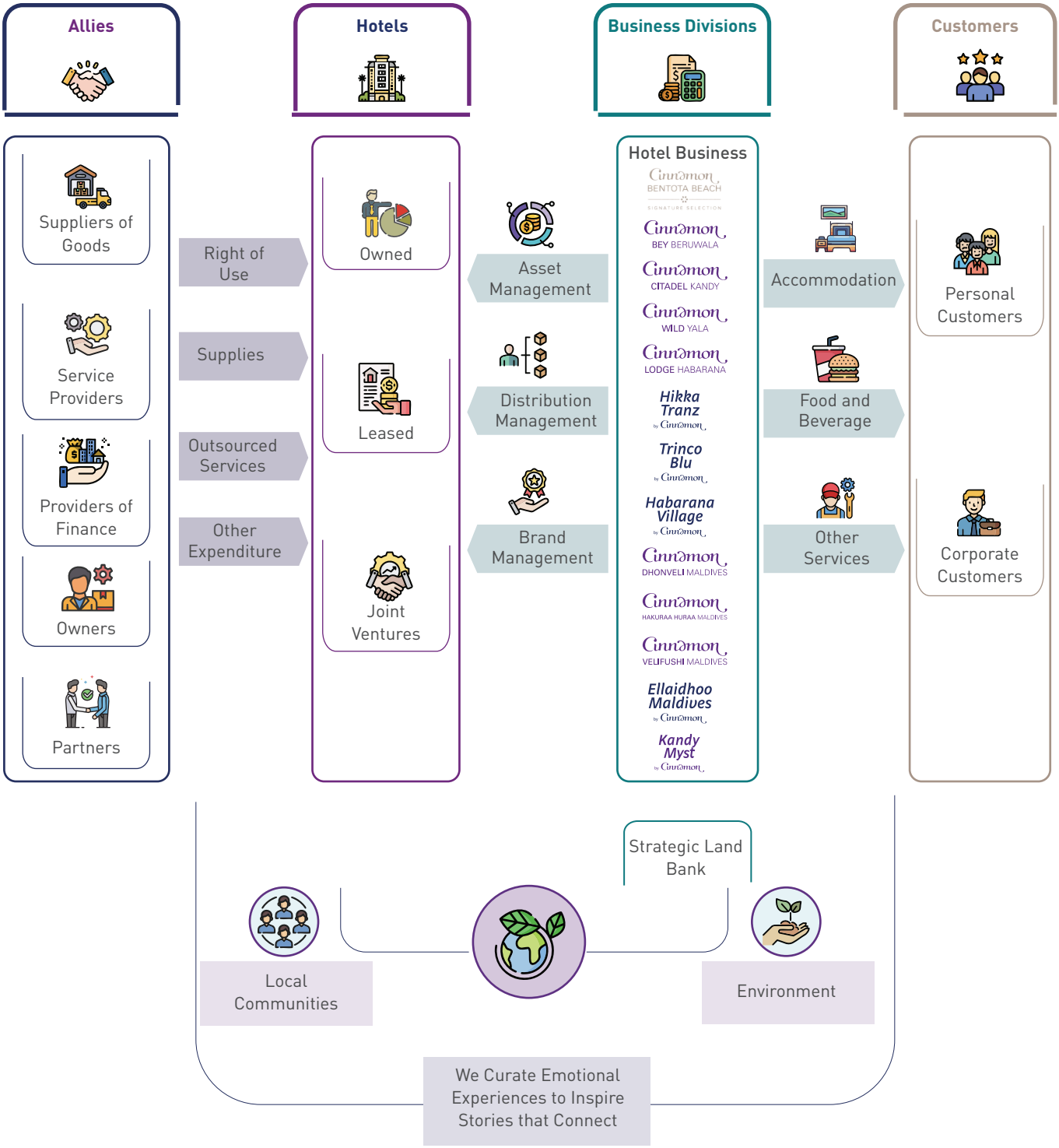
Cinnamon Dhonveli Maldives

Surf I Adventure I 25 min from Malé

Positioned just 25 minutes from Velana International Airport by speedboat, Cinnamon Dhonveli Maldives is the Group's surf destination, with a well-established surfing culture built around one of the Maldives' most consistent breaks directly off the island. The resort appeals to a broad mix of active travellers, couples, and those seeking the Maldives experience without the long transfer times that characterise more remote atolls, supported by water sports and snorkelling.

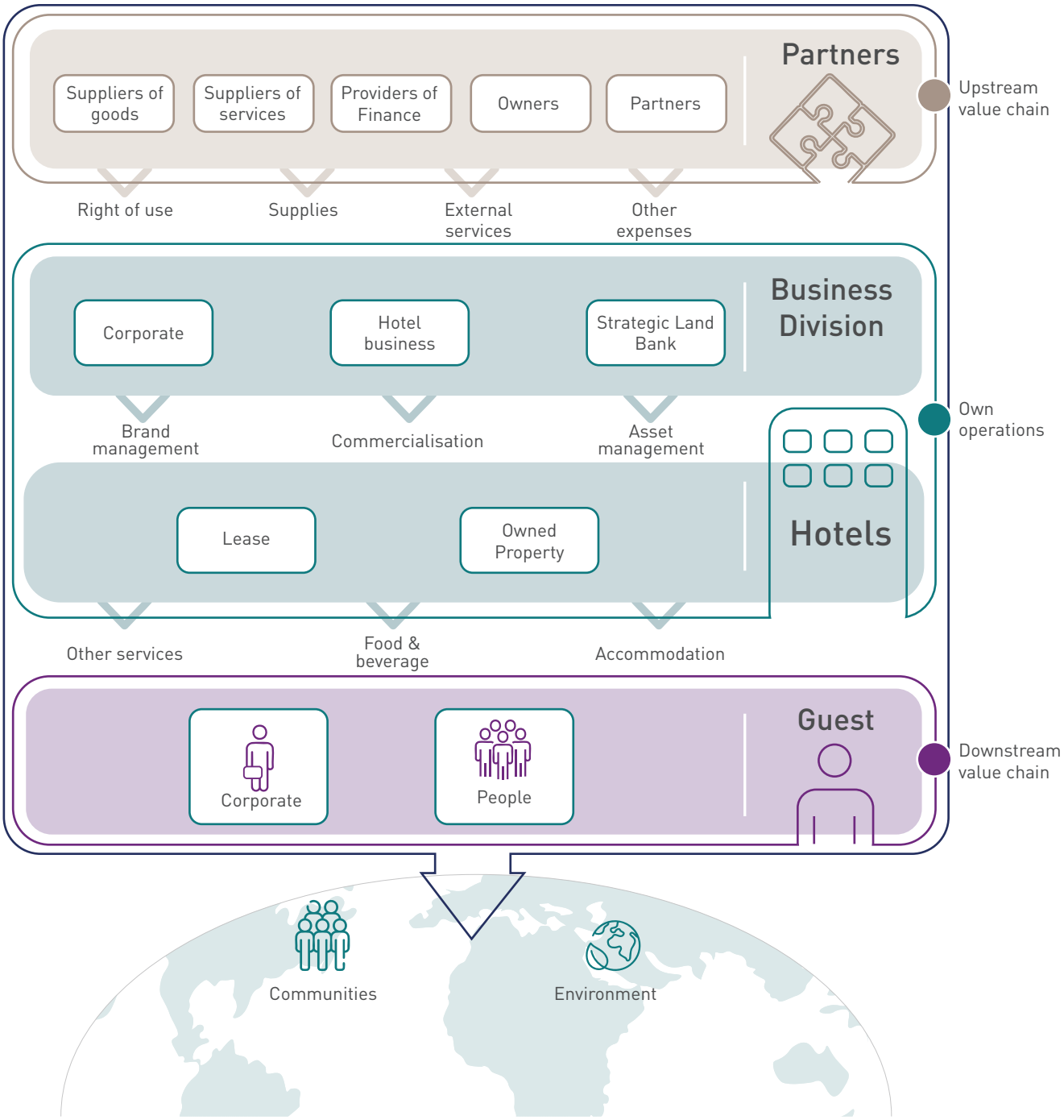
THE CINNAMON EXPERIENCE

OUR BUSINESS MODEL



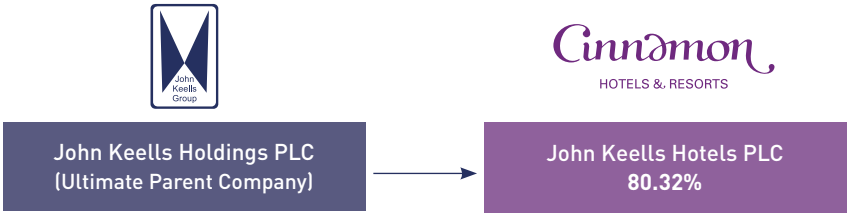
OUR BUSINESS MODEL AND SUPPLY CHAIN

We are committed to offering a value proposition that enables the building of long-term relationships of trust and mutual benefit with all Stakeholder Groups: customers, shareholders, employees, partners (agencies, tour operators, suppliers, etc.) and society as a whole, while strengthening its commitment to the environment and its preservation for future generations.



THE CINNAMON EXPERIENCE

GROUP STRUCTURE



Company Name		Effective Holding
Fully Owned Subsidiaries of John Keells Hotels PLC		
Trinco Holiday Resorts (Pvt) Ltd	Trinco Blu by Cinnamon	100%
John Keells Maldivian Resorts (Pvt) Ltd	Investment in Maldivian Resorts	100%
Travel Club (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd)	Ellaidhoo Maldives by Cinnamon	100%
Fantasea World Investments (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd)	Cinnamon Hakuraa Huraa Maldives	100%
Tranquility (Pvt) Ltd (100% by John Keells Maldivian Resorts (Pvt) Ltd)	Cinnamon Dhonveli Maldives & Cinnamon Velifushi Maldives	100%
Cinnamon Holidays (Pvt) Ltd	Inbound and Outbound Tour Operation	100%
Rajawella Hotels Company Ltd		100%
Nuwara Eliya Holiday Resorts (Pvt) Ltd		100%
Wirawila Walk Inn Ltd	Strategic Land	100%
Trinco Walk Inn Ltd	Strategic Land	100%
Ahungalla Holiday Resorts (Pvt) Ltd	Strategic Land	100%
Partially Owned Subsidiaries of John Keells Hotels PLC		
Ceylon Holiday Resorts Ltd	Cinnamon Bentota Beach	99.39%
Hikkaduwa Holiday Resorts (Pvt) Ltd (100% by Ceylon Holiday Resorts Ltd)	Hikka Tranz by Cinnamon	99.39%
Resort Hotels Ltd (89.13% by Ceylon Holiday Resorts Ltd)	Strategic Land	99.46%
International Tourists & Hoteliers Ltd	Investment Holding Company	99.33%
Beruwala Holiday Resorts (Pvt) Ltd (100% by International Tourists & Hoteliers Ltd)	Cinnamon Bey Beruwala	99.33%
Habarana Walk Inn Ltd	Habarana Village by Cinnamon	98.77%
Habarana Lodge Ltd	Cinnamon Lodge Habarana	98.35%
Kandy Walk Inn Ltd*	Cinnamon Citadel Kandy	98.39%
Yala Village (Pvt) Ltd	Cinnamon Wild Yala	93.78%
Yala Adventure Park (Pvt) Ltd	Strategic Land	87.11%
Joint Venture		
Sentinel Realty (Pvt) Ltd	Strategic Land	50%
Associates		
Indra Hotels & Resorts Kandy (Pvt) Ltd	Kandy Myst by Cinnamon	40%

*Divested on 31 March 2026

ELEVATING THE GUEST EXPERIENCE

Our strategic efforts to elevate the guest experience in 2025/26 focused on effectively blending sophisticated, luxury accommodations and culinary offerings with destination led experiences to transform our guest stays into memorable journeys steeped in culture and nature.





Upgrades to several properties across the Group

We invested in upgrading guest facilities across multiple properties in 2025/26. These included,

- Upgrading 25% of the room inventory at Cinnamon Bey Beruwela.
- Elevated culinary offerings at Cinnamon Wild Yala.

- Through Cinnamon Nature Trails, we offer responsible, surreal natural and wildlife encounters while leaving only footprints behind. Our team of 16 naturalists leverage over 10 years of experience to offer wildlife enthusiasts the opportunity to appreciate the biodiversity of Sri Lanka in their natural habitats.

The team also organises excursions to destinations renowned for their wildlife experiences, such as India, Africa and South America.

Cinnamon Nature Trails also engaged with the Royal Foundation UK to develop two major documentaries on wildlife conservation in Sri Lanka. These efforts contributed to promoting Sri Lanka as a destination for wildlife tourism.

- In the Maldives, guests experienced curated marine excursions and the rich biodiversity of the islands while availing opportunities to participate in our marine conservation efforts. These included,
  - Coral cube adaptation programme at Ellaidhoo Maldives by Cinnamon
  - Turtle conservation programmes at Ellaidhoo Maldives by Cinnamon and Cinnamon Hakuraa Huraa Maldives
  - Tree planting initiatives across our properties
- Our curated cultural experiences showcase Sri Lanka's rich history and cultural heritage while offering a glimpse into traditional living in the Maldives.

These offerings are complemented by giving back to our local communities through local sourcing and impactful engagement (Please refer Prosperity on page 108 for more information).



MICE and wedding segment offerings

Responding to the growth in the MICE segment, we developed tailored value propositions to support corporate retreats, strategic gatherings and eco-conferences, providing participants with privacy and sophistication for productive conversations.

Moreover, the scenic locations of our properties and bespoke destination experiences we offer, supported a significant increase in the wedding segment in 2025/26, with some events leading to full-resort buyouts.

Cinnamon Hakuraa Huraa Maldives– a five star, adults only property.

In 2025/26, we upgraded Cinnamon Hakuraa Huraa Maldives to five-star status with elevated culinary offerings and curated entertainment experiences. Moreover, the property was positioned as an adult-only paradise, offering guests the perfect blend of sophistication and privacy for those seeking an intimate experience.



Cinnamon | DISCOVERY

The Cinnamon DISCOVERY loyalty programme

Through our membership in the Global Hotel Alliance's DISCOVERY loyalty programme, we offer our guests a broader choice across a multitude of destinations while encouraging direct engagement with our properties.

Cinnamon HOTELS & RESORTS

"We are the HEART of every destination we are in"

How our guests responded

71.74 (+0.97%)

Net Promoter Score in 2025/26

94.40% (+0.15%)

Global Review Index in 2025/26

Delivering guest experiences that reflected our brand promise resulted in

- **+1%** in Group RevPAR
- **31%** increase in RevPAR at Cinnamon Bentota Beach

THE CINNAMON EXPERIENCE

Diverse culinary offerings and personalised dining experiences

Our culinary offerings capture the rich flavours and time-honoured traditions of Sri Lankan cuisine while also embracing a wide range of international cuisines. Moreover, curated offerings supported greater personalisation and elevated guest satisfaction. In 2025/26, we introduced:

- Nature-based dining experience at the Bloom House Project, Cinnamon Bentota Beach
- Corals Restaurant, Cinnamon Hakuraa Huraa Maldives

  Corals Restaurant offers an intimate à la carte dining experience in the Maldives, inspired by the beauty of the ocean. With its coral-themed ambience and romantic atmosphere, it evokes dining under water while enjoying refined global cuisine.
- Summer Restaurant & Bar, Cinnamon Hakuraa Huraa Maldives

  Summer Restaurant & Bar is an open-air beachfront bar & restaurant in the Maldives, serving speciality cocktails, gourmet snacks, and coastal favourites. Set by the sea, it blends lively beachside dining with relaxed tropical vibes.
- Noodles at Bey – Cinnamon Bey Beruwala

  Noodles at Bey brings the rich flavours of Asia to your plate with expertly crafted stir-fried, soupy, and dry noodle dishes. Inspired by regional culinary traditions, this casual yet immersive dining experience is perfect for lunch or dinner.
- Addarahena - Cinnamon Bentota Beach – Signature Selection

A Farm-to-Fork experience uniting sustainable farming, responsible waste management, and authentic Sri Lankan flavours. Guests can savour fresh, seasonal produce grown on-site, celebrated through the farm's first harvest.

Paired with this is Ambula, an immersive dining journey inspired by traditional village cuisine, set within a rustic mud house and guided by regional culinary heritage.

Enriched by an in-house composting system and the dedication of our Garden Management team, Addarahena reflects a deeper commitment to sustainability, community, and meaningful guest experiences.



BUILDING COMPETITIVE ADVANTAGE THROUGH TECHNOLOGY

We continued to invest in strengthening our integrated digital ecosystem to deliver elevated, personalised guest experiences and drive operational excellence.

Digital experiences that build connections

Leveraging deep location-based insights and immersive digital experiences, Brand.com, our corporate website, strives to build meaningful connections with current and prospective guests through narratives that reflect the authenticity of each destination. From nature-based encounters and cultural experiences to unique experiential offerings at our properties, our website allows prospective guests to envision their experience with us prior to making a reservation. An integrated chatbot streamlines guest access to relevant information, enhancing ease in planning travel itineraries.



Cinnamon DISCOVERY, delivered through the Global Hotel Alliance's DISCOVERY loyalty programme has enabled broader access to a global network of leisure and experiential travellers who value reward-based travel benefits. Our partnership with the GHA has supported a shift towards direct guest engagement and bookings through Brand.com. Moreover, integration with GHA DISCOVERY's shared technology platform has facilitated hyper-personalised experiences through richer guest insights while facilitating a seamless experience for guests wishing to avail membership benefits.

Consistent focus on offering a digital experience that enables meaningful guest engagement with our properties and destinations has contributed to an increase in guest engagement on Brand.com resulting an increase in the conversion rate in 2025/26. Reservations made directly through Brand.com also increased significantly in 2025/26.

AN INTEGRATED DIGITAL ECOSYSTEM TO DRIVE OPERATIONAL EXCELLENCE

An integrated digital ecosystem that encompasses the Opera Cloud Property Management System, Salesforce and Salesforce Marketing Cloud has enabled a seamless guest journey from reservation, confirmation, to post-stay engagement.

Opera Cloud Property Management System	Transition to SAP RISE	Salesforce Marketing Cloud
This advanced platform streamlines operations with intuitive tools enabling efficient and seamless processes and personalised guest experiences. Real-time data supports room inventory and pricing management while standardised operations and cross-functional collaboration enhance efficiency.	The hotels group enhanced its enterprise governance and control environment through the phased implementation of SAP RISE (S/4HANA), as part of a JKH Group-wide digital transformation initiative. This cloud-based system has strengthened data integrity, enabled real-time performance visibility, improved process standardisation, and enhanced auditability and the effectiveness of internal controls across operations.	This platform facilitates omni-channel guest engagement utilising personalised, data-driven strategies and structured interactions throughout the guest journey. A preference centre allows guests to manage their communication preferences while GDPR compliant data collection and robust privacy policies ensure targeted marketing while protecting and responsibly managing guest information.

Our digital ecosystem is underpinned by an unwavering focus on maintaining data privacy and data security. A strong governance structure and policy framework that aligns with regulatory and international best practices supports robust cybersecurity mitigation and safeguards customer data. Furthermore, the implementation of the Zero Trust Framework, aligned with our parent entity, John Keells Holdings PLC, has strengthened our IT security architecture and improved resilience and recoverability.

Please refer to Corporate Governance on page 152 for more information.

Data analytics for strategic insights

As part of our parent entity, John Keells Holdings PLC's digital and data analytics strategy, we made progress on implementing a unified data platform across our operations to enable integrated, data-driven insights and improve operational efficiency. This lakehouse architecture consolidated previously siloed data sources to create a cohesive analytics ecosystem to support the implementation of scalable, machine learning enabled use cases.

Use cases implemented during 2025/26 focused on

- Chiller temperature optimisation through the deployment of Internet of Things sensors and customised algorithms to reduce HVAC-related energy consumption. This led to an approximate 4.2% reduction in energy consumption within the Group in 2025/26.
- Optimising menu performance and reducing food waste by aligning occupancy rates and guest preferences with menu planning and inventory management.

LISTENING TO OUR STAKEHOLDERS

We continuously engage with key stakeholders, both globally and locally, to build trusting relationships and provide better business intelligence to spur ideas for products and services.

Formal stakeholder engagement guidelines provided to all teams engaging with different stakeholder groups facilitate tailored engagement, strengthening its effectiveness. This structured and transparent approach has been critical in deepening relationships and strengthening trust with key stakeholders while enabling a balanced strategic approach for mutual value creation.

We identify key stakeholders based on their level of influence, interest, and impact on the Group. Internal consultations, mapping exercises and reviews of our value chain and regulatory landscape supported the identification of Cinnamon's key stakeholders in 2025/26.

Our stakeholder engagement process



Strategy
Establish objectives, aligned with corporate strategy.

Mapping and analysis
Identify stakeholders and establish level of engagement

Engagement approach
Determine approach, format and frequency

Ongoing interaction
Execute plan and manage relations and feedback

Our engagement with key stakeholders in 2025/26 is summarised below.

Shareholders	
Who they are	
The individual and institutional investors of John Keells Hotels PLC.	
Why they are important	
Strong relationships with individual and institutional investors are critical to our ability to access capital markets.	
Key issues and concerns in 2025/26	
• Sustainable returns on investment • The impact of geopolitical unrest on the hospitality sector in certain regions, which could affect the hotel group's performance and financial results. • Environmental concerns and wider sustainability issues • Transparency and credibility of disclosures	• Liquidity management • Risk and crisis management • Sound corporate governance and business ethics • Compliance
How we engage	
The Group engages transparently with shareholders utilising numerous engagement channels, including the Annual General Meeting, the Annual Report, Interim Financial Statements, press releases, Extraordinary General Meetings, social media and announcements to the CSE.	
Value delivered in 2025/26	**Link to material topics**
Rs. 1.9 billion Profit after tax **Rs. 1.33** Earnings per share **Rs. 23.95** Net asset value per share	• Ethical business practices and regulatory compliance • Disaster preparedness and response

Colleagues



Who they are

The team of 3,040 colleagues that drives our value creation.

Why they are important

Their commitment to service excellence shapes our guest experiences.

Key issues and concerns in 2025/26

- Competitive remuneration and benefits
- Colleague value proposition
- Opportunities for training and career progression
- Diversity and equal opportunity
- Health and wellbeing
- Opportunities for engagement
- Rewards and recognition

How we engage

We have implemented numerous engagement mechanisms to facilitate open and honest dialogue with our team. Our open-door policy enables access to leadership, while formal engagement channels such as quarterly townhall meetings, employee surveys, and regular newsletters encourage transparent communication. We also conduct a calendar of engagement activities to create an engaging work environment. Feedback on performance is provided through mid year reviews and annual performance appraisals. Regular engagement with trade unions underpinned cordial relations throughout the year.

Value delivered in 2025/26

4.17 (EmPulse survey)
Colleague satisfaction score

Rs. 5,434 Mn
Payments to colleagues

78.5%
Colleague retention rate

20.3%
Female representation against an industry average of 10%

Link to material topics

- Employee and guest health safety and security
- Diversity, equity and inclusion
- Employee development and wellbeing

Customers



Who they are

The guests who choose to stay with us, corporate clients as well as the travel agents, OTAs and tour operators who facilitate guest stays.

Why they are important

Our guests are central to value creation, enabling revenue generation and driving overall performance. Our travel partners serve as vital distribution partners, enabling market access and strengthening brand visibility.

Key issues and concerns in 2025/26

- Unique guest experiences
- Efficient and caring customer service
- Availability of information
- Environmental and social sustainability
- Value for money
- Privacy of customer information

How we engage

Multiple engagement channels provide opportunities for guest feedback while enabling swift resolution to any concerns raised. Our guest engagement channels include,

- Global contact centre
- Global sales offices
- Channel partners
- Brand surveys and audits
- Guest feedback programme
- Face-to-face interactions
- Customer relationship management

Engagement with distribution partners is facilitated through regular meetings.

Value delivered in 2025/26

71.74
Net promoter score

94.40%
Global review index

Link to material topics

- Healthy, safe and sustainable food
- Responsible sourcing of goods and services

LISTENING TO OUR STAKEHOLDERS

Business partners and suppliers



Who they are

Partners, joint venture partners, asset owners, product and service suppliers.

Why they are important

We partner with asset owners, joint venture partners and other partners to deliver superior guest experiences. Responsible supplier relationships are vital in driving efficiency and effectiveness throughout our supply chains.

Key issues and concerns in 2025/26

- Opportunities for growth
- ESG practices and ethical business conduct
- Order accuracy and timely payments
- Circularity and sustainable packaging
- Use of third parties and sub-contractors

How we engage

Engagement through in person meetings and through participation in industry forums with Asset owners, joint venture partners and other partners. Meanwhile, collaborative partnerships with suppliers were enabled by regular, direct dialogue and evaluation meetings, site visits, an ethical procurement process, supplier forums and supplier assessments.

Value delivered in 2025/26

Rs. 26,094 Mn
Payments to suppliers

110
Independent audits conducted in 2025/26

165
Suppliers participated in training

Link to material topics

- Responsible sourcing of goods and services

Government and regulatory bodies



Who they are

National, regional and local authorities, public institutions and industry associations

Why they are important

These institutions establish regulations and policies that shape our operating environment and influence our ability to create value.

Key issues and concerns in 2025/26

- Sustainable growth of the tourism industry
- Compliance with laws and regulations
- Job creation
- Environmental conservation
- Sustainable economic growth

How we engage

Engagement through direct dialogue, meetings, forums and regulatory reporting enabled compliance with all regulatory requirements, fostered the tourism sector's sustainable growth and supported an enabling environment for value creation.

Value delivered in 2025/26

Link to material topics

- Ethical business practices and regulatory compliance
- Community engagement and empowerment
- Disaster preparedness and response

Community	
Who they are	
Local communities living in the vicinity of our properties.	
Why they are important	
Local communities are directly affected by our operations, shaping our social license to operate.	
Key issues and concerns in 2025/26	
• Community development and empowerment • Minimising negative environmental impacts • Preservation of local culture • Cost-of-living pressures and rising levels of food insecurity, influenced by ongoing geopolitical tensions	• Responsible consumption of resources • Biodiversity conservation • Access to business skills development and local employment opportunities
How we engage	
Our engagement with local communities is multifaceted. Since 87% of supplies are sourced from communities in the vicinity our properties, our engagement with local communities include supplier engagement channels. Additionally, we also engage with local communities through impactful empowerment programmes.	
Value delivered in 2025/26	**Link to material topics**
10,850 Volunteer hours dedicated to community empowerment in 2025/26 **34** Local artisans supported in 2025/26.	• Community engagement and empowerment • Biodiversity • Climate action • Waste management and circular assessment • Water stewardship

Memberships in Industry Associations

Cinnamon holds memberships in numerous industry associations, enabling positive contributions to the sustainable development of the overall industry while fostering knowledge exchange and collaboration.

Industry associations we hold memberships in include,

- Ceylon Chamber of Commerce
- Employers' Federation of Ceylon (EFC)
- Sri Lanka Institute of Tourism and Hotel Management
- Chef Guild of Lanka
- The Hotels Association of Sri Lanka
- Ceylon Hotel School Graduate Association



STRATEGY

Embracing Life

Responsible performance is not a constraint on growth; it is the condition for growth that lasts. This year, John Keells Hotels advanced on each of these fronts – deepening investments in talent development, reducing environmental impact, and championing diversity across all properties.

Where curated luxury meets the pulse of the city, the finest hospitality is measured not just in comfort delivered, but in the care taken to preserve the world that surrounds it.



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OUR EXTERNAL CONTEXT

Geopolitical challenges are increasingly disrupting travel operations. Rather than isolated incidents, these challenges now serve as a stress test for a new operational standard, as macro shocks, including geopolitical, socioeconomic, and climate-related, occur more frequently and are likely to cascade through global systems. In this era of incessant crises, resilience, diversification of travel corridors, and digital integration must become central to the growth strategies of travel and tourism businesses.

The success of Cinnamon Hotels and Resorts is rooted in its ability to recognise and respond to significant global trends within the hospitality industry. By leveraging its strengths, the Hotels Group is taking proactive steps to address the challenges of providing more sustainable and innovative hospitality services.

We have shaped our strategy in response to the evolving trend.



A growing hospitality market in Asia	Value for money	An uncertain geopolitical and economic context	Increasing focus on sustainability and tightening of regulations
By 2030, India is expected to rank among the top five outbound markets globally, emphasising the need for diversified source markets	Value for money will continue to be a significant trend in tourism in 2026. This is the result of several years of elevated inflation that has remained stubbornly high in many countries.	Constant international tensions and a rise in regional conflicts	Guests are increasingly focused on the environmental impact of their travel. As a result, travellers tend to favour hotels that include sustainability in their business model.
Rising purchasing power, particularly in Asian countries, is diversifying areas of interest	The global recovery in travel has highlighted the widening gap between premium and value-driven travel segments, prompting operators to redesign their offerings to enhance resilience.	Rising trade tensions and rapid supply chain adjustments	With stakeholders increasingly expecting businesses to operate and grow responsibly, the onus is on hotel companies to respond to shifting stakeholder values and expectations and drive positive change through their products and experiences.
A consumer base that prioritises travel, leisure, experience and personal time	For travel companies, success now hinges on tiered product design, integrated payment solutions, and personalised loyalty ecosystems tailored to varying spending capacities	High energy costs are likely to erode margins	New reporting standards (SLFRS, ISSB)
How we responded			
We have expanded our offerings to cater to the changing market mix. Cinnamon DISCOVERY continued to strengthen Cinnamon Hotels & Resorts' position within the Global Hotel Alliance (GHA) network, driving strong guest engagement and loyalty across the portfolio.	Our portfolio of luxury and lifestyle resorts offers our guests who want to immerse themselves in luxury and value for money. We leverage deep destination knowledge to offer guests authentic experiences that capture the true spirit of Sri Lanka and the Maldives	We focus on understanding how these changes impact input costs, profit margins, and risk exposure across various markets and regions, backed by timely forecasts, scenario analyses, and a clear perspective on market evolution.	Adapt to new SLFRS S1 & S2 standards and SASB disclosures

Global travel will remain resilient, despite the global economic slowdown

Travel demand will defy the slowdown in economic growth over the coming year, despite ongoing uncertainty largely stemming from risks surrounding tariffs and geopolitical tensions. Globally, tourism continues to establish itself as a key economic driver: the sector's economic impact remains at historic highs and represents a significant share of global GDP, reinforcing its role as a catalyst for economic activity and employment.

OUR STRATEGY

WHAT WE DO

Curate emotional experiences to inspire stories that connect

WHY WE DO IT

To bring the best of Sri Lanka to the world with style and elegance

Our strategy is driven by our vision of "Bringing the best of Sri Lanka to the world with style and elegance". By strengthening brand equity across international markets and optimising asset management in Sri Lanka and the Maldives, we strive to deliver long-term value to all our stakeholders. This encompasses sustainable returns to shareholders, elevated experiences for our guests, nurturing our talent, while empowering local communities and minimising our environmental impacts.

Cognisant of the dynamics shaping global travel and the emerging trends transforming the travel landscape, we consistently evaluate and adapt our strategy to strengthen our competitive position, drive revenue growth and build long-term resilience.

TRANSLATING OUR VISION INTO SUSTAINABLE VALUE

Our strategic pillars define our key focus areas in delivering sustainable value to our stakeholders.



CULTIVATE

the best people and evolve the culture



DRIVE

guest and customer personalisations



OPERATE

with excellence



GROW

with intent

OUR VALUES

Our values define the principles and behaviours we uphold in executing our strategy.



Greatness



Trust



Compassion



Agility



Curiosity



Wellbeing



Inclusivity

How we translated our vision into sustainable value for our stakeholders in 2025/26 is outlined below.

CULTIVATE OUR PEOPLE AND EVOLVE OUR CULTURE

Our colleagues form the core of our business, delivering personalised guest experiences that create memorable connections. We, in turn, consistently invest in nurturing our talent, ensuring they feel valued and recognised while promoting a culture of shared responsibility and commitment to service excellence.

Progress made in 2025/26

Delivering results in 2025/26

4.17
(EmPulse Survey)
Colleague satisfaction score

78.5% (+2%)
Colleague retention rate

20.3% (+3.3%)
Female representation compared to an industry average of 10%.

1.2% (+0.8%)
Female representation compared to an industry average of 10%.

Rs. 5.4 Bn (+4%)
Payments to colleagues

56%
Internal promotions

Revamping our colleague value proposition

Significant resources were invested in re-evaluating and reimagining our colleague value proposition in 2025/26. Incorporating colleague feedback obtained through multiple engagement channels, we developed CARE, which outlined Cinnamon's Colleague Promise alongside clear standards for conduct and performance.

Grow with Purpose, Lead with Heart


Carry the Cinnamon Pride


Aspire for Excellence


Rise and Grow


Everyone Belongs

Strengthening managerial capabilities and technical skills

Strategic focus was placed on strengthening the competencies of managerial-level colleagues and preparing them for career progression. Our Managerial Core Skills Framework strengthened essential competencies to drive business success, while the introduction of new courses to the Cinnamon Online Academy facilitated learning at colleagues' own pace and convenience. Concurrently, targeted training was also delivered to colleagues in technical roles with a specific focus on the culinary field.

Building future leaders

To ensure business continuity and support the Group's strategic ambitions, we implemented a structured framework to develop future leaders. We identified critical operational roles and developed targeted development programmes for high-potential colleagues. We also launched the ISH Management Development Programme in partnership with the Indian School of Hospitality (ISH) and Leela Hotels, Resorts and Palaces to support the development of 15 high-potential colleagues for senior roles.

Way forward in 2026/27

Looking ahead, strategic focus will be placed on implementing and integrating CARE, our revamped colleague value proposition into business processes. A structured communication plan and a change management plan will also be rolled out to support colleague awareness and facilitate acceptance.



DRIVE GUEST AND CUSTOMER PERSONALISATION

Our brand promise centres on creating meaningful connections with guests through thoughtfully curated, destination-led experiences that are delivered with authentic Sri Lankan hospitality and complemented by refined luxury.

Progress made in 2025/26

Delivering results in 2025/26

71.7%
(2024/25 -71.2%)
Net promoter score

94.4%
(2024/25 – 94.3%)
Global review index

1%
Group RevPAR growth

66,000
Guests enrolments in the Cinnamon Discovery loyalty programme



Thoughtfully curated destination-led guest experiences

Leveraging deep destination insights, we curated a range of destination-specific experiences that gave guests opportunities to connect with the unique spirit of each locale. Through Cinnamon Nature Trails, we offered guests a range of responsible, natural and wildlife encounters, while thoughtfully curated cultural experiences showcased the rich cultures of Sri Lanka and the Maldives.

New experiences and concepts

During 2025/26, we offered guests seeking a luxurious, intimate getaway an elevated experience by repositioning Cinnamon Hakuraa Huraa Maldives, as a five-star, adults-only property. Guests residing at Cinnamon Bey Beruwela were also offered elevated comfort through upgrades to guest rooms. We also launched a range of new culinary offerings across our properties. We continuously evolve our guest experiences and offerings in line with industry trends and evolving guest preferences to maintain consistent guest satisfaction.

The Cinnamon DISCOVERY loyalty programme

Guests enrolled in the Cinnamon DISCOVERY loyalty programme were offered a range of exclusive privileges and rewards tailored to their personal preferences. Additionally, integrating our loyalty programme with the Global Hotel Alliance's DISCOVERY programme provided guests with access to a global network of properties, rewards, and benefits.

Responding to guest feedback

We utilise multiple engagement channels across the guest journey to encourage feedback on our guest offerings and experiences. These include one-on-one engagement and feedback surveys, such as in-stay surveys, restaurant surveys, banquet surveys and post-stay surveys. Guest feedback obtained across channels is reviewed and analysed for areas of improvement and action plans are developed to address key concerns.

Feedback provided on OTA platforms is monitored daily. The Group also conducts a semantic analysis of guest feedback and high-priority areas for each property, with findings reported to top management at monthly Customer Voice meetings. Following discussion and evaluation, action plans are developed and implemented to address key concerns.

Way forward in 2026/27

We will continue to evolve our guest offerings in line with industry trends, shifts in guest preferences and guest feedback to deliver elevated, personalised experiences across the guest journey.

OPERATE WITH EXCELLENCE

Our commitment to operational excellence is underpinned by a commitment to deliver premium guest experiences that align with Cinnamon brand standards, while optimising cost structures and enhancing operational efficiency. Digitalisation and data analytics have progressively increased in importance in driving operational excellence. Concurrently, we have continued to prioritise responsible operational management through sustainability initiatives that minimise our environmental impacts, support biodiversity conservation and drive community empowerment.

Progress made in 2025/26

Upholding brand integrity

Formal, documented processes and systems across all our properties ensure Cinnamon brand integrity is upheld consistently across every aspect of the guest journey. Comprehensive policies, standards, operational manuals and SOPs benchmarked to global industry best practice and aligned with regulatory requirements and quality standards govern each step of the guest journey from reservation to checkout.

Periodic audits are conducted across all activities to ensure compliance with internal quality standards. Mystery audits are also conducted by a third party to ensure our guest experience is on par with international standards.



Digital enablement

Our integrated digital ecosystem, comprising the Opera Cloud Property Management System, Salesforce and Salesforce Marketing Cloud, enables a seamless experience across the guest journey. Moreover, consistent investments in advanced data analytics has enabled data-driven insights and use case implementation to drive operational efficiency and cost optimisation. During the year under review, we implemented use cases across our properties to assess and reduce our energy consumption. A data analytics use case was also implemented to optimise menu planning and reduce food waste.

Alignment with international certifications and accreditations

Alignment with international certifications and accreditations has enabled processes and systems that are benchmarked to international standards. During 2025/26, all our properties aligned with the following certifications and accreditations,

- ISO 22000:2018 Food Safety Management Systems
- ISO 45001:2018 Occupational Health and Safety Management Systems
- ISO 14001:2015 Environmental Management Systems
- LEED certification
- Travelife Gold certification
- LEED Platinum certification for Cinnamon Bentota Beach and LEED Gold certification for Cinnamon Bey Beruwala and Kandy Myst by Cinnamon.

Managing our operations responsibly

We adopt a value chain approach to managing our operations sustainably. We ensure destination-led guest experiences are designed in a manner that minimises adverse impacts on our natural environments and local communities. We also engage guests in our biodiversity conservation efforts, such as the coral cube adoption programme and tree planting initiatives, to strengthen awareness and participation in environmental conservation.

Our ESG strategy guides our efforts in biodiversity conservation and minimising the environmental footprint of our operations across water, energy, waste and single-use plastic consumption. Moreover, sourcing almost 87% of procurement locally has empowered local communities while impactful community engagement continues to support livelihood development. Efforts to promote sustainable business practices upstream of our value chain were led by supplier impact assessments conducted for 303 suppliers in 2025/26, which assessed the environmental and social impacts of our suppliers. (Please refer Planet and Prosperity on page 80 and 108 respectively for more information.

Safeguarding the health and wellbeing of guests is also a critical priority at Cinnamon. We assess the health and safety impacts of our products and services on a regular basis. During 2025/26, 100% of our products and service categories were assessed for health and safety impacts with no incidences of non-compliance with regulations and voluntary codes recorded. Moreover, no incidents of non-compliance concerning product and service information and labelling were also recorded during the year under review.

Way forward in 2026/27

We will continue to place our guests at the heart of our operations while benchmarking international best practices for continuous improvement. Technology and data analytics will continue to underpin operational improvements, while our commitment to sustainable business operations will help to minimise our environmental impacts while empowering local communities.

OUR STRATEGY

GROW WITH INTENT

Strategic efforts to elevate guest offerings in line with evolving industry trends, a strong emphasis on strengthening brand equity and guest loyalty across global markets and a consistent focus on optimising our asset portfolio have strengthened our resilience to shifts in industry dynamics while delivering sustainable value to all our stakeholders.

Progress made in 2025/26

Delivering results in 2025/26

Rs. 32.3 Bn
(+10%)
Group revenue

Rs 1.9 Bn
Group profit after tax

Rs. 1.7 Bn
Group capital expenditure

Rs. 1.33
Earnings per share



Optimising our asset portfolio

Divestment of Cinnamon Citadel in line with the Group's asset-light strategy

In line with its asset-light strategy, the Group fully divested its majority stake in Kandy Walk Inn Ltd (KWIL), the owning company of Cinnamon Kandy Citadel, on 31 March 2026 to Dedigama Group (Pvt) Limited for a consideration of Rs. 2.78 billion.

Under the terms of the agreement, the Group will continue to manage the property for a minimum period of 12 months, subject to review thereafter.

We also evaluated our asset portfolio to identify opportunities to enhance its value and profitability. During 2025/26, we upgraded and repositioned Cinnamon Hakuraa Huraa Maldives, as a five-star, adults-only property to capture the incremental value associated with this premium niche market segment.

Our capital expenditure of Rs. 1.7 Bn in 2025/26 also included an upgrade to approximately 25% of the room inventory at Cinnamon Bey Beruwela.

Source market diversification

Responding to global dynamics, focused efforts were directed towards expanding our presence in new and emerging markets, including Australia and Singapore. Strengthening our presence in India was also a strategic priority given its outbound potential and proximity to Sri Lanka.

Market expansion through Cinnamon DISCOVERY

Our partnership with the Global Hotel Alliance's DISCOVERY loyalty programme has broadened our access to guests whose travel preferences align with our value proposition.

During 2025/26, the Cinnamon DISCOVERY Programme, launched in February 2025, continued to gain strong momentum, driving increased guest enrollments and contributing to a notable rise in repeat-stay revenue during the year under review.

Strengthening brand equity

Through elevated service standards defined by personalisation, we reinforced Cinnamon service excellence across the guest journey, enabling high levels of guest satisfaction, deepening guest loyalty and building brand equity.

Optimising distribution channels

We maintained a diversified channel strategy across travel agents, bed banks, online travel agencies and direct bookings. However, a stronger focus was placed on driving direct bookings to support margin management. Our partnership with the GHA, digital marketing strategies that included social media platforms and partnerships with social media influencers, and the immersive web experience offered on our website supported an expansion in direct bookings through Brand.com.

Capture opportunities in the MICE and events segments

We strengthened our event and wedding value propositions to capture emerging opportunities in the MICE and wedding segments. This included holistic offerings for corporate events with opportunities for blended business and leisure experiences alongside elegant destination wedding offerings set within the natural beauty of our properties.

Way forward in 2026/27

We will continue to adapt our strategy in line with industry dynamics and evolving guest preferences while pursuing an asset-light model to deliver sustainable value to stakeholders. Expanding and diversifying source markets, optimising distribution channels and harnessing the potential of our partnership with the GHA will remain key strategic priorities in the year ahead.

HOW WE DRIVE EBITDA

The growth of our business relies on two fundamental drivers: increasing revenue per available room (RevPAR) and expanding the number of rooms. RevPAR indicates room revenue per available room, and grows when guests stay more often or pay higher rates. To drive growth, we have a portfolio of thirteen hotels across two countries.

Supported by a leading loyalty programme and powerful technology, our brand meets clear guest needs and generates returns.

Our focus is to grow RevPAR constantly ahead of our competitors. The investment in new technology to enhance our online visibility will increase revenue generated through Online Travel Agents (OTAs). The flow-through of revenue is another key performance indicator (KPI) that we monitor to ensure we bring operational efficiencies that drive growth in our EBITDA margin. During the year, we reported an EBITDA margin of 28%, which is two percentage points above last year.

CAPITAL ALLOCATION AND DIVIDEND POLICY

Our priorities for the use of the cash flow that John Keells Hotels generates are consistent with previous years and comprise:

1. Reinvest in the business to drive growth

We continue to pursue strategic investments while maintaining strict control over routine capital expenditure. The routine capital expenditure plan is prepared during the Annual Plan, and prior approval is obtained for each resort's capital expenditure plan. This plan is revisited based on cash availability.

2. Increasing shareholder returns

We aim to grow the ordinary dividend annually, while balancing the interests of all our stakeholders and ensuring our long-term success. During the year, the Company paid a dividend of Rs. 0.10 per ordinary share.

3. Strategic investments

We continue to evaluate the portfolio review, adopting a disciplined approach to capital allocation for refurbishments. Rather than undertaking broad based upgrades, investment decisions are being guided by the intended positioning of each property within the overall portfolio, with enhancements undertaken selectively to align with the long-term brand and commercial strategy.

CAPITAL EXPENDITURE

Recurring capital expenditure

Recurrent capital expenditure is primarily used to maintain our hotel properties for both front-of-house and back-of-house operations. During the year, we invested Rs. 1,675 Mn in capital expenditure (2024/25 – Rs. 1,113 Mn). Examples of recurring capital expenditures include investments in the refurbishment of rooms and public spaces, and enhancements to back-of-house facilities.

Asset-light strategy

Aligned with its asset-light growth strategy, the Group divested its stake in Kandy Walk Inn Ltd (KWIL), the owner of Cinnamon Citadel, on 31st March 2026 for consideration of Rs. 2.78 billion.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK GOVERNANCE FRAMEWORK

Risk Management Philosophy

John Keells Hotels PLC continues to navigate a dynamic and complex risk environment shaped by geopolitical uncertainty, macroeconomic pressures, climate change, and rapid technological transformation. Each of our principal risks presents both an opportunity and a threat. Our risk management framework is designed to provide the Board and Executive Management with reasonable assurance that risks which could prevent John Keells Hotels from achieving its strategic objectives are correctly identified, assessed, monitored, and managed. It is grounded in the internationally recognised COSO Internal Control Framework and aligned with the principles of SLFRS S1 and S2.

Internal control is a process implemented by the Board and management that provides reasonable assurance regarding the achievement of objectives across three categories.

- Completion and optimisation of operations
- Reliability of financial information
- Compliance with laws and regulations

The internal control system cannot provide an absolute guarantee that objectives will be achieved; however, it can be well-designed and consistently applied.

During the reporting period, all operations across our properties were assessed for corruption risks through our enterprise risk management and audit frameworks, with no incidents identified.

Risk Governance Structure

Audit Committee

The Board Audit Committee carries out the following principal tasks in relation to risk:

- Examines policies and procedures and ensures resources are available for risk management.
- Reviews the annual risk mapping and the results of monitoring processes for the Group's principal risks.
- Reviews the sustainability risk mapping.
- Oversees the effectiveness of the internal control system by reviewing risk identification methodologies and Internal Audit's organisational and operating principles.
- Receives quarterly summaries of internal audit work and the status of action plans.

The Audit Committee met four times during 2025/26.

Internal Audit Function

The outsourced internal audit function reports functionally to the Audit Committee and the JKH Group Business Process review function. It carries out corporate, operational and IT audit assignments and coordinates its activities with the work of the external auditors. Audit assignments are planned based on risk mapping, interviews with committee members, statutory auditor inputs and documentary research.

Risk Assessment Methodology

John Keells Hotels' principal risks are assessed based on two factors: the probability of occurrence and the intensity of potential impact. Assessments are performed on a net basis- that is, taking into account existing mitigation and control measures already in place.

The combination of these two factors determines the criticality level.

Principal Risk Summary – 2025/26

The table below presents all principal risks, their executive risk sponsors, trend direction and net criticality level as assessed for 2025/26.

	Principal Risk	Pillar	Criticality
1	Human capital - talent attraction and retention	People	Low
2	Employee health, safety and wellbeing	People	Low
3	Employee misconduct and business ethics	People	Low
4	Human rights across operations and supply chain	People	Low
5	Security of guests and colleagues	People	Low
6	Climate-related physical and transition risks	Planet	Low
7	Nature impacts and biodiversity dependencies	Planet	Low
8	Water Stress & Continuity Risk	Planet	Low
9	Geopolitical risk and source market volatility	Profit	High
10	Macroeconomic stability - Sri Lanka	Profit	Medium
11	Data protection, privacy, and cybersecurity	Profit	Medium
12	Liquidity and credit risk	Profit	Low
13	Interest rate risk	Profit	Low
14	Brand reputation and guest loyalty	Profit	Low

Link to strategy: All principal risks are interconnected with the successful delivery of our four strategic priorities:

- Cultivate the best people and evolve the culture
- Drive guest and customer personalisation
- Operate with excellence
- Grow with intent

Existing and Emerging Realities for 2026-2028

Executive management monitors indicators of change in trends for key uncertainties the Group faces. The following emerging realities have been identified as having the potential to materially influence our risk profile over the next one to three years:

Geopolitical and macroeconomic:

- Ongoing geopolitical tensions affecting source markets, particularly Russia and the Middle East, with direct impacts on tourism flows to Sri Lanka and the Maldives.
- Macroeconomic volatility in the Maldives, including a debt-to-GDP ratio of 129.7% (2025-134.2%), fiscal deficits, and mandatory USD conversion requirements under the Maldives Monetary Authority framework.
- Post-IMF recovery trajectory in Sri Lanka - while stabilising, fiscal consolidation measures and exchange rate volatility remain significant uncertainties.
- Insolvency risk among European tour operators.

Regulatory and compliance:

- Escalating green taxes and tourism levies in the Maldives – the green tax doubled in January 2025, and TGST increased from 16% to 17% in July 2025.
- Enforcement of the Sri Lanka Personal Data Protection Act No. 09 of 2022 – the Data Protection Authority is operationalising enforcement mechanisms with increasing rigour.
- SLFRS S1 and S2 climate disclosure requirements.

Technological:

- Rapid adoption of generative AI and conversational assistant technologies in hospitality distribution - creating the risk that AI-driven search and booking platforms reduce direct guest access and increase dependency on third-party digital intermediaries.
- AI-enabled cyberattack methods growing in sophistication, including deepfake phishing and automated social engineering targeted at hotel data environments.
- Third-party technology platform dependency risks are increasing as Opera Cloud, Salesforce, GHA DISCOVERY and the Data Lake House become operationally critical.

Environmental:

- Accelerating physical climate risk to Maldivian resort assets, ocean warming, coral bleaching, sea level rise and intensifying storm events.
- Biodiversity loss and ecosystem degradation are threatening the nature-based guest value propositions of our Sri Lankan wildlife and eco properties.
- Water scarcity and supply chain disruption from changing precipitation patterns affecting agricultural suppliers.

Talent and society:

- Rising labour migration from Sri Lanka and structural talent shortages in remote Maldivian resort locations, compounding an already competitive market for hospitality professionals.
- Growing guest and investor expectations for credible, independently verified sustainability commitments - with greenwashing risk increasing as sustainability standards tighten.

PRINCIPAL RISK DESCRIPTIONS

People Risks

Risk 1 - Human Capital: Talent Attraction and Retention

Description of the risk

The success of John Keels Hotels' business and transformation agenda is fundamentally dependent on our ability to attract, develop and retain skilled hospitality professionals. Delivering luxurious and personalised guest experiences across thirteen properties in Sri Lanka and the Maldives requires a highly capable, motivated and values-driven team of 3,040 (2024/25 -2,942) colleagues.

Labour market conditions present ongoing structural challenges. In Sri Lanka, the accelerating emigration of skilled workers, particularly in hospitality, has substantially reduced the available talent pool for the industry. In the Maldives, the remote island locations of our four resorts create inherent difficulties in attracting and retaining talent from both local communities and Sri Lanka. Colleague voluntary turnover stood at 30.5% (2024/25 - 26.9%), reflecting the intensity of competition for hospitality talent and the ongoing cycle of recruitment and induction.

Our digital transformation agenda introduces a new capability dimension. As we deploy SAP S/4HANA, Opera Cloud, Salesforce, AI-driven analytics, and the GHA DISCOVERY loyalty programme, we need colleagues who can confidently operate these platforms and turn data insights into personalised guest experiences. Building these capabilities across a geographically dispersed workforce is essential. Where talent-related responsibilities are shared with outsourced service providers, who make up 10.66% (2024/25-11.42%) of our on-property workforce, outcomes also depend on the effectiveness of their employment and training practices.

Mitigation measures

- Cinnamon continues to strengthen its value proposition for colleagues through an in-depth study with a globally reputed research organisation covering more than 30 focus group discussions, 18 leadership interviews and pulse survey results from 5000+ colleagues.

- Wellbeing and lived-experience investments are delivered through the 'You Matter' colleague wellbeing programme, addressing financial, physical, mental, and career wellbeing across all thirteen properties. Mental wellbeing support has been strengthened through the Colleague Assistance Programme (CAP) across Sri Lanka, with groundwork underway for a regional counselling helpline planned and expansion of CAP sessions in the Maldives for early FY2026/27. In parallel, Heart of the House upgrades have enhanced colleague facilities, complemented by investments in sports and extracurricular activities, including engagement events.
- Cinnamon Hospitality Academy (CHA) continue to strengthen its long-term entry-level pipeline through the Learn–Work–Earn model in partnership with SHMA and VET by EHL, building brand-ready capability aligned to international standards and has expanded to a cohort of 155 students across 3 batches.
- The EmpowHer initiative aims to enhance female participation and career progression, with targeted recruitment drives across five Sri Lanka districts in 2025/26.
- Cinnamon enhanced its efforts to build an inclusive workplace culture and environment for colleagues with disabilities, resulting in 1.1% representation, exceeding the target.
- Hall of Greatness is Cinnamon's values-led recognition programme, structured to celebrate colleagues who consistently demonstrate Cinnamon's values through their performance. The programme recognises Highflyer of the Month and Leader of the Quarter, alongside annual awards, and in 2025/26, 122 colleagues across Sri Lanka and the Maldives were recognised in their respective areas.
- 100 days of paid parental leave offered to all permanent colleagues, regardless of gender.

For further information, see our People pages 61 to 79.

Risk 2 - Employee Health, Safety and Wellbeing

Description of the risk

Hospitality is a people-focused industry. Protecting the safety and wellbeing of our 3,040 (2024/25-2,942) colleagues and around 324 (2024/25-336) outsourced staff at our properties is both a moral duty and an operational requirement. A secure and supportive working environment is closely connected to colleague engagement, service excellence, productivity, and our capacity to retain talent.

Non-compliance with health and safety standards can disrupt operations, expose the Group to regulatory sanctions, and seriously damage the Cinnamon brand's reputation. This risk is especially significant due to the physical nature of jobs in hospitality, including kitchen work, engineering, housekeeping, and outdoor activities. Additionally, the remote locations of our Maldivian resorts make access to emergency medical services more difficult.

In 2025/26, 57 work-related accidents and incidents (2024/25-52) were recorded, resulting in 507.5 lost days (2024/25 - 425.5). Our goal remains zero preventable injuries.

Mitigation measures

- ISO 45001:2018 Occupational Health and Safety Management System certification maintained across all properties since 2008.
- Cinnamon Care 2.0 health, safety and environment strategy with updated standards for care, cleanliness and physical safety.

For further information, see our People pages 61 to 79.

Risk 3 - Employee Misconduct and Business Ethics

Description of the risk

Managing thirteen properties across Sri Lanka and the Maldives with a workforce of 3,040 colleagues (2024/25: 2,942) from diverse cultural backgrounds, regulatory environments, and levels of seniority introduces inherent risks of misconduct, fraud, conflicts of interest, and breaches of the Group's Code of Conduct and ethical standards.

Hospitality operations handle large volumes of cash, consumable goods, and guest data, creating opportunities for misappropriation that must be mitigated through strong control frameworks. Failures in ethics controls, whether due to financial misconduct, harassment, conflict of interest, or abuse of authority, can expose the Group to financial loss, regulatory sanctions, reputational damage, and harm to the colleague experience that supports our talent strategy.

No material ethics violations or fraud incidents were reported during 2025/26.

Mitigation measures

- JKH Group Code of Conduct mandatory training for all colleagues from day one of employment.
- Zero-tolerance policies for fraud, corruption, bribery, sexual harassment and conflicts of interest embedded in HR policy and communicated at induction.
- Ethics & CSR Charter providing a clear framework for responsible conduct expected of all colleagues, contractors and business partners.

For further information, see our People pages 61 to 79.

Risk 4 - Human Rights Across Operations and Supply Chain

Description of the risk

Operating thirteen resorts across Sri Lanka and the Maldives, spanning diverse communities, labour markets, and regulatory environments, exposes the Group to human rights risks throughout the entire value chain. These include risks related to fair labour practices, child protection, forced labour, discrimination, freedom of association, and the working conditions of suppliers and outsourced service providers.

Operating in markets where human rights frameworks are still developing requires the Group to go beyond minimum legal compliance to meet the standards expected by international guests, tour operators with responsible tourism policies, and institutional investors with ESG mandates. Failing to do so could lead to reputational damage, loss of sustainability certifications, and exclusion from responsible travel programmes.

No incidents of human rights violations, child labour or forced labour were reported during 2025/26

Mitigation measures

- Comprehensive Human Rights Policy aligned with the UN Guiding Principles on Business and Human Rights and relevant international labour standards.
- Zero-tolerance policies for sexual harassment, child labour and forced/compulsory labour embedded in the HR policy framework.
- Code of Conduct training mandatory for all colleagues from day one.
- 100% of on-property associates trained in child protection in 2025/26.

For further information, see our People pages 61 to 79.

Risk 5 - Security of Guests and Colleagues

Description of the risk

JK Hotels has a duty to ensure the physical security of its guests, colleagues, and assets across thirteen properties in two countries. The Group's extensive international guest profile, including visitors from politically sensitive source markets and the remote locations of our Maldivian island resorts, creates a security environment that demands continuous vigilance and structured crisis preparedness.

Security threats facing the hospitality sector include terrorism, civil unrest, petty crime, health emergencies, and natural disasters. Sri Lanka's recent political and economic history, including the 2019 Easter Sunday attacks and the 2022 economic crisis, highlights the significant and rapid evolution of security risks in our primary operating market. The Maldives' geographic remoteness from emergency response infrastructure amplifies the consequences of any security incident at our island resorts.

Any security incident affecting guests or colleagues could result in loss of life, regulatory consequences, significant reputational damage, and a prolonged adverse impact on bookings and brand trust.

Mitigation measures

- Dedicated Safety & Security function assessing the security situation across all properties.
- Active engagement with local diplomatic networks, government authorities and private-sector security consultants.
- Safety and security culture embedded in colleague induction and ongoing training programmes.
- Participation in initiatives to prevent and combat human trafficking across the Group's operating regions.

For further information, see our People pages 61 to 79.

Planet Risks

Risk 6 - Climate-Related Physical and Transition Risks

Description of the risk

John Keells Hotels PLC operates in two of the world's most climate-sensitive tourism destinations. Our four Maldivian resorts, which contribute approximately 60% of Group revenue, are situated on low-lying atolls that are exposed to rising sea levels, more frequent tropical storms, ocean warming, and coral reef degradation. The physical stability of these assets over the medium- to long-term poses a significant risk to enterprise value.

Physical risks:
The Group's properties are exposed to physical climate risks. This includes an increase in the frequency and severity of extreme weather events such as flooding, heavy rainfall, tropical cyclones, and storm surges, which can damage property, disrupt operations, and impair access to critical utilities. Rising sea levels, ocean warming, and long-term shifts in temperature and precipitation patterns that threaten the physical integrity and long-term viability of our coastal and island assets, particularly our four Maldivian resorts, are also included. These physical risks affect both our operations and upstream supply chains, with the potential to increase capital expenditure, raise insurance costs, disrupt service continuity, and erode the natural assets that underpin our guest value proposition.

Acute Weather Disruption Risk - Increasing frequency and severity of climate related natural hazards such as flooding, heavy rainfall, storm surges, and strong winds may disrupt business operations, damage company owned and leased

properties, impair access to critical utilities, and impact service continuity. These events may also disrupt supply chains and logistics networks, affecting the availability of critical goods, services, and inputs required for operations. These risks may be heightened when infrastructure lacks adequate climate resilient design, structural reinforcement, or disaster preparedness measures.

Transition risks:
Policy-related transition risks are increasing quickly. The Maldivian government doubled the green tax starting January 2025, directly raising the costs for our four Maldivian resorts. TGST rose from 16% to 17% in July 2025. These structural policy changes, along with stricter sustainability certification requirements from tour operators, bring a growing risk to costs and revenues if the Group's sustainability credentials do not advance accordingly.

Energy Cost and Transition Risk - Rising temperatures will escalate cooling demand, driving up operating costs. Energy risks are compounded by volatile tariffs, grid instability, and efficiency gaps. Together, these pressures increase financial exposure and elevate Scope 1, 2 emissions, intensifying both cost and transition risks.

Our carbon footprint increased by 7%, reflecting more accurate Scope 1 accountability following a comprehensive GHG inventory conducted with the Sri Lanka Climate Fund. Renewable energy accounts for 0.65% of total energy consumption (2024/25: 0.61%), well below our target, indicating significant transition risk if the pace of renewable energy adoption does not materially accelerate.

Mitigation measures

- Sustainability strategy formulated in 2021. Currently, the hotels group's target setting process is underway.
- Travelife Gold certification maintained across all Sri Lankan properties; LEED Platinum at Cinnamon Bentota Beach; LEED Gold at Cinnamon Bey Beruwala and Kandy Myst by Cinnamon.
- Comprehensive GHG inventory covering Scope 1, 2, and 3 emissions, verified to ISO 14064-1:2018 by the Sri Lanka Climate Fund, establishing the 2023/24 baseline for future reduction tracking.
- Physical risk assessments for each property considering sea level rise, temperature changes, and extreme weather scenarios—along with property-specific adaptation plans.
- Feasibility studies for solar panel installations across all properties in Sri Lanka and the Maldives, including floating solar assessments at Cinnamon Hakuraa Huraa Maldives.
- Business continuity plans featuring climate-related emergency response protocols, evacuation strategies, and backup power systems at each property.
- Investments in physical coastal protection measures at Maldivian properties to counteract sea level rise and storm surge risks.
- Water recycling and rainwater harvesting initiatives across Cinnamon Bey Beruwala and Cinnamon Wild Yala are reducing reliance on freshwater.
- EarthCheck benchmarks utilised for monitoring of carbon, water, and waste performance.

For further information, see our Planet pages 80 to 107.

Risk 7 - Nature Impacts and Biodiversity Dependencies

Description of the risk

The strategic locations of our properties are a key part of our guest value proposition. Our resorts in Sri Lanka are situated near national parks, marine protected areas, and ecologically rich environments - including Yala, Minneriya, and Kaudulla national parks, as well as the Hikkaduwa Marine National Park.

These ecosystems are both our most valuable assets and our key material dependencies. Degradation of coral reefs caused by ocean warming, chemical runoff, and unsustainable tourism practices would directly harm the guest experience and the competitive edge of our Maldivian resorts. Loss of wildlife and biodiversity at Sri Lankan properties would diminish the nature-based guest value propositions that set our Cinnamon Wild Yala, Cinnamon Lodge Habarana, and Habarana Village by Cinnamon apart.

Failure to protect these ecosystems could also expose the Group to reputational harm, loss of GSTC-certified Travelife certifications and exclusion from responsible travel programmes maintained by tour operators with nature-related commitments.

Biodiversity-driven demand risk - Risk of reduction in business demand due to ecosystem or biodiversity, in ecologically sensitive areas, related to exposure from extreme climate events (incl. coral reef/marine ecosystem health in the Maldives; wildlife-based tourism in Sri Lanka dry zone parks).

Mitigation measures

- Biodiversity impact assessments completed at all 13 properties in 2025/26, developed by Cinnamon Nature Trails naturalists and the Open University of Sri Lanka.
- Cinnamon Rainforest Restoration Project - 59 acres being reforested using assisted natural regeneration in Suduwelipotha, with 25,140 native trees planted since 2022 at 85-90% survival rate; 1,025 volunteers (2024/25-583) engaged in 2025/26.
- Marine Biodiversity Unit established at Ellaidhoo Maldives by Cinnamon, led by an in-house marine biologist.

- Coral Cube Adaptation Programme at Ellaidhoo - 331 coral cubes established since 2023, home to over 150 species of fish.
- Biodiversity action plans were developed for each property based on scientific assessment findings.

For further information, see our Planet pages 80 to 107.

Risk 8 - Water Stress & Continuity Risk

Description of the risk

John Keells Hotels PLC operates in destinations where water availability is under increasing stress. According to the World Resources Institute's Aqueduct Country Ranking, Sri Lanka faces medium-to-high water stress, while pressure on water resources in the Maldives has risen in recent years, driven by population growth, an expanding tourism industry, and the effects of climate change.

Hotel operations, encompassing housekeeping and laundry, cleaning, food and beverage, garden maintenance, accommodation, and guest amenities, are inherently water-intensive. The World Travel & Tourism Council (WTTC) estimates that tourism accounts for 3.5–5.8% of global water use, with approximately 80% of that use being indirect through the supply chain. For Cinnamon, this translates into a direct operational dependency: an uninterrupted and affordable water supply is essential to delivering the guest experience across all thirteen properties.

In water-stressed regions, dry periods or supplier inadequacies may cause supply interruptions, increasing dependence on costlier alternative sources such as bowser water or expanded desalination and raising operating costs. Several properties, including Cinnamon Wild Yala and Cinnamon Bey Beruwala, rely on third-party water sources to meet operational needs, heightening exposure to supply-side disruptions. The seasonal nature of Sri Lanka's rainfall patterns compounds this risk, particularly during extended dry periods.

Failure to manage water responsibly also carries reputational and regulatory risk, including potential non-compliance with Travelife and GSTC certification standards, which increasingly scrutinise water stewardship.

Mitigation measures

- Water stewardship is embedded as a dedicated pillar within the Cinnamon sustainability strategy, with a stated commitment to reduce freshwater withdrawal across the portfolio and monitored quarterly by the Cinnamon Executive Committee.
- Staff awareness programmes on responsible water consumption were conducted across all properties, supported by guest-facing communication through towel and linen reuse cards in all guest rooms.
- Travelife Gold certification is maintained across all Sri Lankan properties, with water efficiency and management forming part of the certification criteria.

For further information, see our Planet pages 80 to 107.

Profit Risks

Risk 9 - Geopolitical Risk and Source Market Volatility

Description of the risk

JK Hotels' business is directly affected by geopolitical developments in the markets from which our guests travel. India, Russia, the United Kingdom, and Germany are our four largest source markets for Sri Lanka, while China, Russia, and the United Kingdom led arrivals to the Maldives. Disruptions to any of these markets, such as armed conflict, economic deterioration, sanctions, visa policy changes, currency crises, or travel advisories, can significantly and swiftly impact occupancy and revenue.

Maldivian resort distribution for the first half of the financial year. The Maldivian government's fiscal position, including a debt-to-GDP ratio of 129.7% (2024: 134.2%), creates material uncertainty regarding future policy interventions, currency stability, and the operating cost environment.

Mitigation measures

- Balanced multi-channel distribution strategy across OTAs, travel agents, direct bookings, bed banks and global sales offices, reducing dependency on any single channel, operator or market.
- Global Sales Offices appointed to cover India, China and Europe with active source market diversification strategies.
- GHA DISCOVERY loyalty programme membership since January 2025, providing access to over 30 million members globally and enabling direct guest relationships independent of intermediary distribution.
- Asset-light growth model preserving financial flexibility to absorb short-term market volatility.
- Proactive engagement with Sri Lanka tourism authorities on visa policy, air connectivity and destination marketing.
- Scenario testing and forward booking analysis to anticipate demand shortfalls and enable proactive pricing and yield management responses.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk 10 - Macroeconomic Stability - Sri Lanka and Maldives

Description of the risk

The Group's two primary operating markets, Sri Lanka and the Maldives, present distinct but interconnected macroeconomic risk profiles.

Sri Lanka is in the third year of its IMF-supported economic recovery programme. While macroeconomic stability has significantly improved with inflation decreasing and the LKR depreciating by approximately 6.4% (2024- appreciated by 10%) during the calendar year 2025, the reform trajectory remains vulnerable to political developments, external debt service obligations, and the sustainability of fiscal consolidation. A reversal in the recovery path could dampen domestic demand, increase operational costs due to utility price reforms, and introduce volatility in labour market conditions affecting our workforce.

The Maldives presents a more acute macroeconomic risk. A debt-to-GDP ratio of 129.7% (2024-134.2%), significant fiscal deficits, and mandatory US dollar conversion requirements under the Maldives Monetary Authority framework create structural uncertainty. Policy interventions, including the doubling of the green tax in January 2025 and the government's decision to increase TGST, demonstrate that the government's fiscal pressures directly translate into higher operating costs for our Maldivian resorts. This pattern is likely to continue as the Maldivian government seeks to increase revenue from its dominant tourism sector.

Mitigation measures

- Conservative capital allocation framework prioritising debt reduction, preserving financial flexibility to absorb macroeconomic shocks.
- Active monitoring and scenario planning for macroeconomic developments in both operating markets, informing the annual budget and three-year business plan.
- Engagement with industry associations and government stakeholders in both Sri Lanka and the Maldives to represent the tourism sector's interests on fiscal and regulatory matters.

Risk 11 - Data Protection, Privacy and Cybersecurity

Description of the risk

The Group manages large volumes of personally identifiable information across multiple platforms, including Opera Cloud PMS, Salesforce Marketing Cloud, Brand.com, the GHA DISCOVERY loyalty programme, and point-of-sale systems at thirteen properties. Our guests increasingly include European Union citizens subject to the GDPR and Sri Lankan residents protected under the Personal Data Protection Act No. 09 of 2022, as enforcement becomes more robust.

The GHA DISCOVERY programme, which relies heavily on knowledge of guests and their preferences, makes data central to the Group's guest personalisation strategy.

Our 2024/25 digital transformation - completing Opera Cloud across all properties, implementing Salesforce Marketing Cloud and revamping Brand.com has materially expanded the volume of guest data collected, processed and stored. This expansion of our digital footprint increases exposure to data breaches, regulatory penalties, reputational harm and loss of guest trust at precisely the moment when data-driven personalisation is a core strategic differentiator.

The hospitality sector is increasingly targeted by cybercriminals due to the high volume of payment card data, passport information, and travel itineraries that hotel groups store. Phishing, ransomware, and social engineering attacks are becoming more sophisticated. AI-powered attack techniques - including deepfake phishing and automated credential breaches - pose an emerging and rapidly developing threat. Any successful attack could compromise the availability, integrity, and confidentiality of guest and operational data, putting the Group at risk of regulatory fines, compensation claims, and significant reputational harm.

No data breaches, breaches of customer privacy or instances of customer data loss were reported during 2025/26.

Mitigation measures

- Dedicated Data Protection Officer appointed across the Leisure Sector with oversight of PDPA and GDPR compliance.
- Data Governance Steering Committee established at JKH Group level to guide policy, systems and training implementation.
- Regular colleague cybersecurity training emphasising phishing awareness, secure data handling and social engineering recognition is conducted across all thirteen properties.
- Robust cybersecurity policies aligned with GDPR and the Sri Lanka POPA.

Risk 12 – Liquidity and Credit Risk

Description of the risk

The Group's capital structure reflects the long-term nature of its hotel assets and lease obligations. Net debt stood at Rs. 15.86 billion (2024/25: Rs. 19.2 billion) as of 31 March 2026, with total liabilities of Rs. 42.66 billion (2024/25: Rs. 46.1 billion). Maldivian operations account 73% for (2024/25:71%) of total liabilities, highlighting the long-term island resort lease arrangements.

The Group reduced net debt by Rs. 3.35 billion (2024/25: Rs. 1.97 billion) during 2025/26 and recorded a profit before tax for the first time since the pandemic, demonstrating improved financial resilience.

Credit risk represents exposure to customers defaulting on payments.

Mitigation measures

- Conservative capital allocation framework prioritising debt reduction and operational reinvestment over shareholder distributions until target leverage levels are reached.
- Asset-light growth model for new properties, preserving cash and limiting balance sheet exposure to new long-term commitments.
- Daily cash management processes at the business unit level with active cash flow forecasting.
- Close monitoring and forecasting of potential covenant breaches with proactive lender engagement well in advance of any risk of breach.
- Fixed interest rate agreements are maintained for a portion of the long-term debt portfolio, reducing sensitivity to interest rate movements.
- Accelerated repayment of high-interest debt as a priority use of operating cash flow.
- Diversification of debt portfolio by source, maturity and currency to reduce concentration and refinancing risk.
- The Hotels Group has a well-established system for credit management, with defined exposure limits at the customer level.

Risk 13 - Interest Rate Risk

Description of the risk

The Group is exposed to movements in both Sri Lankan Rupee interest rates and USD SOFR rates, affecting the cost of its mixed LKR and USD debt portfolio. Average SOFR rates declined from 4.41% to 3.68% (2024/25- from 5.35% to 4.41%) in 2025/26. However, interest rate volatility remains a risk as global monetary policy continues to normalise.

Mitigation measures

- Debt portfolio managed with a deliberate mix of fixed and floating rate instruments to balance cost efficiency with rate risk protection.
- Fixed interest rate agreements for a portion of the long-term debt portfolio as a rate risk mitigation measure.
- Accelerated repayment of high-interest debt as market conditions allow.
- Diversification of debt portfolio by source, maturity and currency

Risk 14 - Brand Reputation and Guest Loyalty

Description of the risk

Our ability to grow RevPAR, increase direct bookings through Brand.com, attract global distribution partners and retain guests through the GHA DISCOVERY loyalty programme is entirely dependent on the strength, consistency and relevance of the Cinnamon brand proposition.

During the year, Cinnamon DISCOVERY continued to strengthen Cinnamon Hotels & Resorts' position within the Global Hotel Alliance (GHA) network, driving strong guest engagement and loyalty across the portfolio. In its first full year, the programme surpassed 66,000 member enrolments, with nearly half of them Sri Lankan, reflecting strong domestic appeal and rapid customer adoption. Beyond enrolments, Cinnamon successfully converted loyalty participation into repeat business and also benefited from cross-brand contributions within the GHA network. These results enhanced brand reach, strengthened customer affinity, and contributed to revenue performance ahead of projections.

The competitive landscape is intensifying. Social media and online review platforms mean that a single negative guest experience at any of our thirteen properties can reach a global audience instantaneously. Our Net Promoter Score of 71.74 (2024/25-71.05) and Global Review Index of 94.40% (2024/25-94.25%) in 2025/26 demonstrate strong performance, but these metrics require ongoing investment in service quality, colleague training, and product enhancement to sustain.

The Signature Selection positioning at Cinnamon Bentota Beach and the launch of Kandy Myst by Cinnamon are elevating our brand into the luxury segment, where guest expectations and scrutiny are highest. Any gap between brand promise and delivery in this segment carries disproportionate reputational consequences.

Mitigation measures

- Comprehensive brand standards, operational manuals and SOPs benchmarked to global best practice, governing every aspect of the guest journey from reservation to checkout.
- Monthly Customer Voice meetings at the top management level, reviewing semantic analysis of guest feedback.
- Signature Selection brand framework for Cinnamon Bentota Beach, defining the elevated luxury proposition across art, wellness, culinary and sustainability pillars.
- GHA DISCOVERY loyalty programme providing a structured global loyalty framework with cross-brand visibility.
- Crisis communication plan with designated spokesperson and escalation protocols for brand-threatening incidents.

BEING A RESPONSIBLE BUSINESS

LIVING OUR COMMITMENT TO SUSTAINABILITY

The Cinnamon hospitality experience is anchored in the principles of sustainability, with a strategic focus on delivering positive environmental and social outcomes, strengthened by robust corporate governance, thereby enabling long-term value creation for all our stakeholders.

Robust oversight and a holistic ESG strategy provide a structured framework to manage our impacts while delivering progress on our long-term sustainability priorities. The formal identification of sustainability- and climate-related risks and opportunities, in line with the requirements of SLFRS Sustainability Standards S1 and S2, sharpened our sustainability strategy for long-term resilience. The sustainability context of both Sri Lanka and the Maldives, along with local and international sustainability priorities as highlighted in the principles of the United Nations Global Compact (UNGC), the United Nations Sustainable Development Goals (UN SDGs), and GRI standards, also directly influence our sustainability strategy.

The Cinnamon Sustainability Strategy

Our sustainability strategy outlines our priorities across the key pillars of Environment, Social and Governance alongside measurable performance indicators to monitor progress towards short- and long-term goals.

Environment	Social	Governance
• Reduce energy consumption while increasing our reliance on renewable energy. • Reduce our freshwater withdrawal. • Eliminate the use of single-use plastic across our operations. • Promote circularity by re-using and recycling while minimising food waste. • Restoring and preserving natural ecosystems.	• Create a safe working environment. • Provide equal opportunities for career growth. • Empower local communities with an emphasis on women, children and persons with disabilities.	• Adhere to high standards of corporate governance and transparency in business conduct. • Uphold ethical business practices and integrity in every interaction. • Comply with all relevant laws, regulations, industry standards and best practice. • Engage with key stakeholders to ensure accountability and responsible business conduct.

We have set long-term goals and benchmarks for each priority, based on insights from a comprehensive study, regional peer analysis, and industry best practices by EarthCheck (Pte) Ltd. This organisation is a globally recognised leader in sustainability certification, benchmarking, and advisory services, specialising in the travel and tourism sector.

SUSTAINABILITY GOVERNANCE AT CINNAMON

The formulation, implementation, and monitoring of our sustainability strategy is reinforced by a robust governance framework with oversight by the Board.

As the Hotel Group develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

Responsibilities for Climate-Related Risks and Opportunities (CRROs) and Sustainability-Related Risks and Opportunities (SRROs) and broader impact management are embedded within the Hotel group's governance framework and formalised by the Board and the Leisure GMC. These responsibilities also extend

to the governance and management of material sustainability impacts identified through the Hotel group's double materiality assessment, which serve as the starting point for identifying related risks and opportunities.

Aligned with the Hotel group's corporate governance framework, the Board has delegated primary responsibility for implementing and managing impacts and CRROs/SRROs to the Leisure GMC.

The Cinnamon Centre ESG team is responsible for implementing sustainability initiatives across the Group's properties to drive progress towards overall short and long-term sustainability goals. The team is led by the Vice President of Quality Assurance, Sustainability, Health & Safety and Data Protection and is supported by a five member team. Each property has Compliance Executives to implement and monitor the progress of sustainability initiatives at the property level.

Please refer to page 152 of the Corporate Governance report for the detailed ESG governance structure.

Our sustainability policy architecture

Our sustainability policy architecture, presented below, guides the implementation of our sustainability strategy.



Environment

- Sustainability policy
- Environmental policy
- Elimination of single use plastic policy
- Animal welfare policy (new)
- Biodiversity policy (new)



Social

- Equal opportunity policy
- Human rights policy
- Policy against sexual harassment
- Community engagement policy



Governance

- Data protection policy
- Risk management policy
- Quality assurance policy

MONITORING PROGRESS

Periodic performance monitoring enables us to assess progress against our goals, supporting informed decision making and corrective action if required. Property-level sustainability-related performance data is gathered through internal systems and collated by the Cinnamon Centre ESG team to ascertain overall Group performance. Performance outcomes are reported to the senior management periodically, facilitating effective oversight and informed decision making.

As part of the John Keells Group, our sustainability performance also receives John Keells Group-level oversight. Accordingly, Cinnamon reports its sustainability performance data to the John Keells Holdings PLC Centre Sustainability Team, which develops a comprehensive quarterly sustainability assurance report, which the Cinnamon Executive Committee reviews to monitor progress against established plans. Moreover, John Keells Holdings PLC's Centre Sustainability Team conducts annual sustainability assurance audits to independently verify the Group's sustainability performance. This is complemented by assurance obtained from external auditors.

During 2025/26, the Cinnamon Centre ESG team initiated internal sustainability assessments at each property to assess compliance with internal sustainability standards and support continuous improvement.

Key performance indicators monitored monthly include:

Financial KPIs	Non-Financial KPIs%
- Revenue - Profitability EBITDA Profit Before Tax - Liquidity & Solvency Net Debt	**Operational excellence** • Risk management and internal control compliance • People - Employee turnover - Female participation • Sustainability - Climate Change Carbon footprint per guest night ($kgCO_2e$/GN) Total Energy consumed per Guest Night (MJ/GN) - Water Water withdrawn per guest night (L/GN) - Circular economy Food waste per guest night (kg/cover) Single-use plastic consumed per guest night (kg/GN) Landfill waste per guest night (kg/GN) - Social Volunteer hours per month

KEY SUSTAINABILITY HIGHLIGHTS IN 2025/26

PATA Gold Awards 2025 Winner
In the 'Best Ecosystem and Wildlife Conservation Initiative' category

Cinnamon Hotels & Resorts **winner of RoSPA Silver Award** for Health and Safety Excellence (2025)

ACCA Sustainability Reporting Awards 2024/25 Winner
In the Tourism Sector for the fourth consecutive year

20.3%
Female representation

23.1%
Female representation in leadership

All Sri Lankan resorts are **Travelife Gold certified** (Global Sustainable Tourism Council recognised)

4.17 (EmPulse Survey)
Colleague satisfaction score

81%
Waste diverted from landfill

69%
of single use guest facing plastic eliminated since 2021/22

The Ceylon Chamber of Commerce **"Winner of the DEI Champions Awards 2025"**

Total of **25,140** saplings planted up to date in the buffer zone of "Sinharaja" forest reserve under the **"Cinnamon Rainforest" Restoration Project.**

Provided **over 220 scholarships** to youth through higher education scholarships and English language scholarships.

Over 22,000 training hours completed through Cinnamon Online Academy (COA) **covering 84% employees**

Carbon emissions independently verified aligned to **ISO14064-1** for 3 consecutive years with **Sri Lanka Climate Fund**

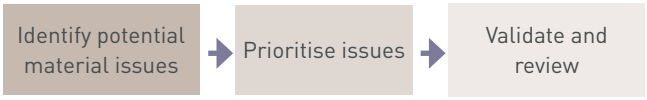
1.2% overall PWD representation

'Good Water' project launched in Beruwala, Bentota and Hikkaduwa has collected **1,521.39 kg** of plastic waste for 2025/26.

MATERIALITY

Our materiality assessment process enables the identification and prioritisation of the Group's most material issues across the short, medium and long-term. The John Keells Group conducts a comprehensive materiality assessment for the leisure sector every five years, which is complemented by annual reviews of the operating context to maintain alignment with emerging risks and opportunities. A consultative approach, underpinned by deep engagement with a range of stakeholders informed the most recent materiality assessment conducted for the leisure sector by John Keells Holdings PLC in 2023/24.

OUR MATERIALITY ASSESSMENT PROCESS



IDENTIFY POTENTIAL MATERIAL TOPICS

Identifying potential material topics involves extensive stakeholder engagement, an evaluation of relevant local and international sustainability standards and frameworks, an assessment of our value chain and operating context, as well as peer reviews and industry trends.

We engage with a range of both internal and external stakeholders to arrive at a comprehensive overview of stakeholder expectations and priorities as well as its impacts on Cinnamon. Our external stakeholder universe includes investors, customers, suppliers, local communities, governments, NGOs, and creditors. We engage with them through surveys, interviews, and regular multi-stakeholder forums. The Board, senior management and our colleagues constitute our internal stakeholders, with engagement carried out through surveys, townhalls and one-on-one engagement.

PRIORITISATION OF ISSUES

Potential material topics were then ranked utilising a double materiality lens that considered impacts on stakeholders, the environment, and the Group. Responses received through customised questionnaires and online surveys provided to all stakeholder groups served as the basis for the prioritisation of material topics.

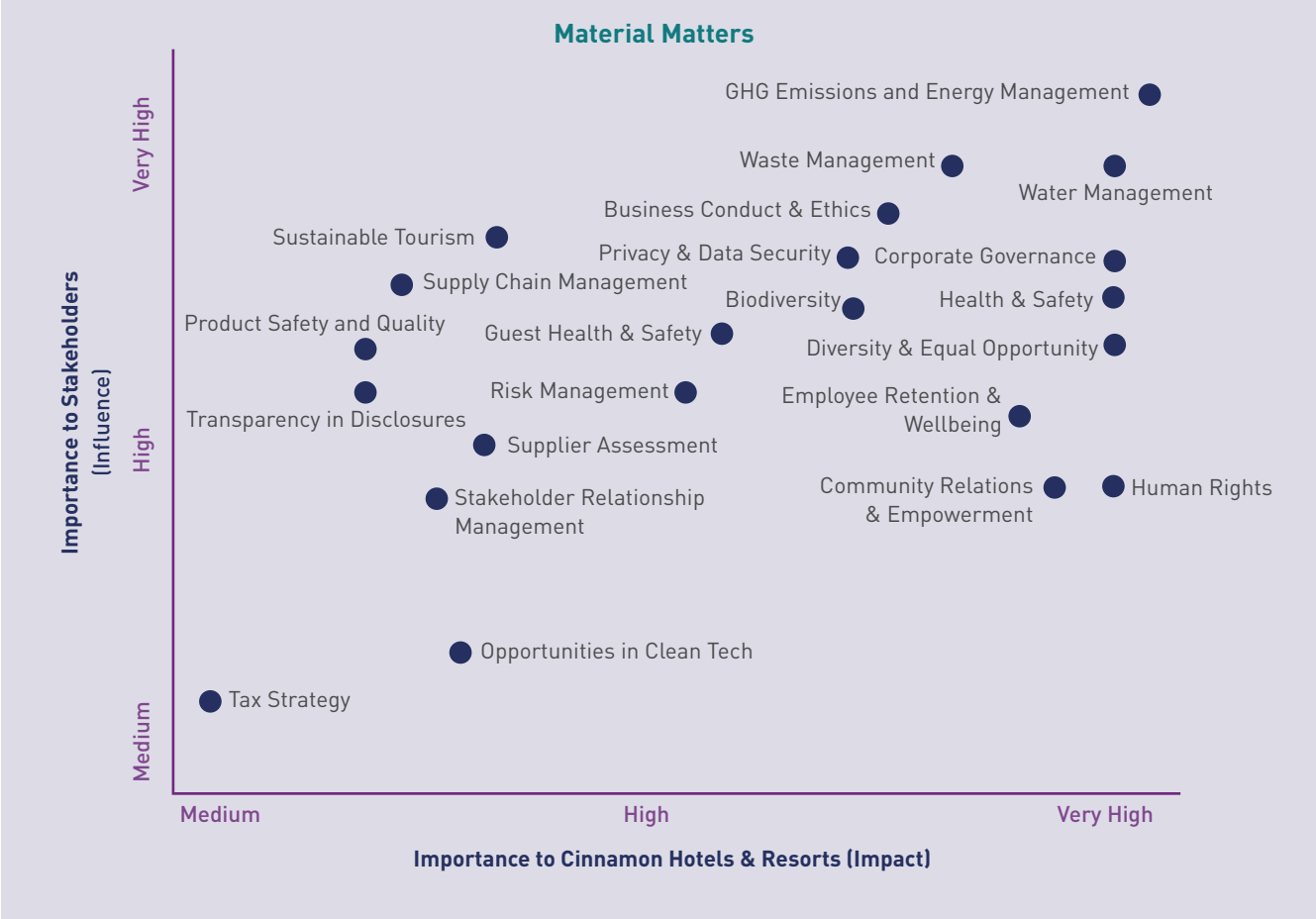
VALIDATION OF MATERIAL TOPICS

Prioritised material topics were weighted considering a range of inputs, including stakeholder feedback, global sustainability frameworks and peer reviews. A scaling factor was applied to each material topic based on the weighted average of stakeholder responses. Prioritised material topics were then ranked using the average of internal and external stakeholder feedback to develop the Group's materiality matrix.

In the current reporting period, Cinnamon undertook a detailed value chain assessment that considered the full lifecycle of its operations. This assessment, led by an international 3rd-party consultant, identified the stages, key dependencies, resources and relationships, and key impacts, ultimately arriving at a list of Climate-Related Risks and Opportunities (CRROs) and Sustainability-Related Risks and Opportunities (SRROs). A separate CRRO, SRRO risk register was also compiled to provide additional focus on the prioritised risks and opportunities. These risks are integrated into the Enterprise Risk Management (ERM) process.

A qualitative financial analysis of these risks and opportunities was not conducted. Instead, with the help of the external consultant, we were able to prioritise the CRROs and SRROs based on financial materiality. These risks and opportunities were assessed on a judgemental basis, resulting in a list of material matters that considers both impact and financial materiality.

MATERIALITY



Material Topics in 2025/26	Impact Level	Change in materiality (compared to last year)	Relevant GRI Topics (If applicable)	Link to SRROs and CRROs	Link to strategy
GHG emissions and energy management Minimise our GHG emissions and increase reliance on renewable energy sources.	Very high	No change	GRI 305: Emissions GRI 302: Energy	Physical – Acute risk: Acute weather disruption risk Transition: Energy cost & transition risk	Operate with excellence
Water management Minimise water withdrawal while promoting sustainable water management	Very high	No change	GRI 303: Water & Effluents	Physical – Chronic risk: Water stress & continuity risk	Operate with excellence
Waste management Minimise waste directed to landfills through circularity	Very high	No change	GRI 306: Effluents and Waste		Operate with excellence

Material Topics in 2025/26	Impact Level	Change in materiality (compared to last year)	Relevant GRI Topics (If applicable)	Link to SRROs and CRROs	Link to strategy
Biodiversity Biodiversity conservation and preserving our natural environments	Very high	No change	GRI 101: Biodiversity	Biodiversity-driven demand risk	Operate with excellence
Human rights Protect the rights of our colleagues and uphold their dignity at all times.	Very high	No change	GRI 406: Non-Discrimination		Cultivate our People and Evolve our Culture
Occupational Health and Safety Ensure a safe and injury-free workplace for colleagues	Very high	No change	GRI 403: Occupational Health and Safety		Cultivate our People and Evolve our Culture
Diversity and equal opportunity Provide an inclusive and diverse work environment that upholds equal opportunities without discrimination.	Very high	No change	GRI 401-409: Management Approach	Talent retention /skills availability risk	Cultivate our People and Evolve our Culture
Community relations and empowerment Build strong relationships and empower local communities	Very high	No change	GRI 413: Local Communities		Operate with excellence
Privacy and data security Maintain the confidentiality of customer, employee and supplier data	Very high	No change	GRI 418: Customer Privacy	Data Privacy and cybersecurity risk	Operate with excellence
Business conduct and ethics Ensure all internal and external stakeholders are compliant with Group policies and procedures.	Very high	No change	GRI 205: Anti-Corruption GRI 408: Child labour GRI 206: Anti-competitive Behaviour		Operate with excellence
Corporate governance Ensure a diverse, effective and ethical Board of Directors committed to preserving and enhancing stakeholder value	Very high	No change	GRI 418: Customer Privacy GR1 201: Direct economic impacts		Operate with excellence
Sustainable tourism Responsible travel experiences that preserve each destination's unique natural resources, culture, and heritage for future generations.	High	No change			Operate with excellence
Guest health and safety Ensure the wellbeing of our guests through stringent health and safety protocols.	High	No change	GRI 416: Customer health and safety	Guest food safety risk	Operate with excellence

MATERIALITY

Material Topics in 2025/26	Impact Level	Change in materiality (compared to last year)	Relevant GRI Topics (If applicable)	Link to SRROs and CRROs	Link to strategy
Risk management Robust risk management to effectively mitigate and manage emerging risks.	High	No change			Operate with excellence
Supply chain management Sustainable supply chain practices to support an uninterrupted supply of goods and services at optimal prices and quality while minimising environmental and social impacts.	Medium	No change	GRI 204: Procurement Practices		Operate with excellence
Product safety and quality Ensure compliance with high standards of food safety and quality.	Medium	No change	GRI 416: Customer Health and Safety	Guest food safety risk	Operate with excellence
Transparency in disclosures Provide clear, accurate, and relevant information to stakeholders about the Group's performance, risks, and opportunities.	Medium	No change			Operate with excellence
Supplier assessment Review supplier performance for quality reliability, sustainability, cost-effectiveness, and compliance with regulations.	Medium	No change	GRI 308: Supplier Environmental Assessment GRI 414 Supplier Social Assessment		Operate with excellence
Stakeholder relationship management Systematic identification of key stakeholders impacted by or have an interest in the organisation and conduct effective and appropriate engagement.	Medium	No change	GRI 413: Local Communities		Operate with excellence
Opportunities in clean tech Products, services, and processes that utilise renewable materials and energy sources support the Group's efforts in reducing waste and emissions.	Medium	No change	GRI 302: Energy GRI 305 Emissions		Operate with excellence
Tax strategy Optimise the Group's tax strategy to preserve and enhance stakeholder value creation.	Medium	No change	GRI 207: Tax		Operate with excellence

PEOPLE



Our people are the driving force behind Cinnamon's hospitality excellence, resilience and brand distinction. In the year in review, we sharpened our focus on nurturing future-ready talent through structured learning ecosystems and development pathways, while consistently investing in their wellbeing and in building a work environment that is engaging and inclusive.

4.17 (EmPulse Survey)
Colleague satisfaction score

20.3% (+3.3%)
Overall female representation

56%
Vacancies filled through internal promotion

78.5% (+2%)
Colleague retention rate

1.2% (+0.8%)
Overall PWD representation

GOVERNANCE

Our approach to Human Capital management is aligned with our parent entity, John Keells Holdings PLC, ensuring consistency in policies and procedures. Aligned with industry best practice and grounded in the principles of trust, equity and integrity, this approach has fostered an engaging culture that empowers our team to perform at their best. Our Code of Conduct clearly sets out the ethical standards we expect of our team. We review our HR Policy framework annually to ensure alignment with colleague needs and evolving global best practice.

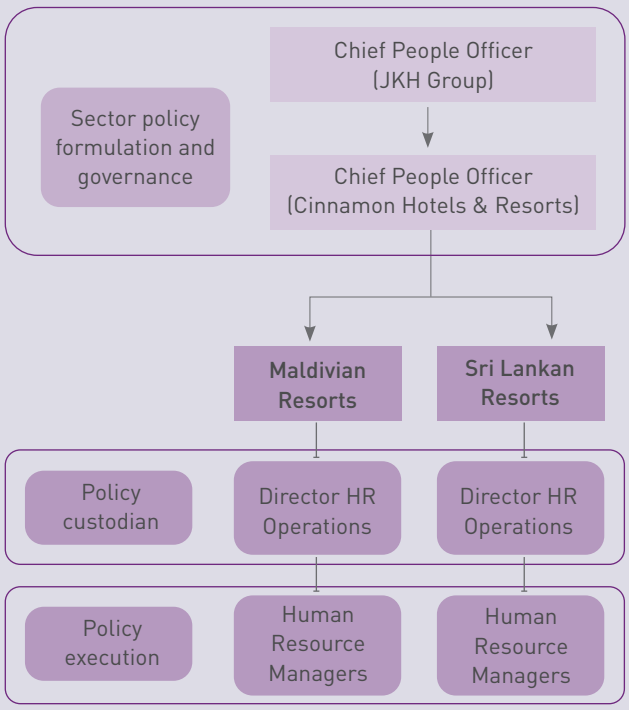
PEOPLE

Current Industry Context

Talent and workforce capability have emerged as one of the primary structural challenges in the global hotel industry, affecting operational continuity, service quality, and long-term competitiveness. In 2025, the tourism sector achieved historic levels of job creation, with 371 million jobs worldwide across direct, indirect, and induced employment, according to the latest World Travel & Tourism Council (WTTC) data. This reflects an increase of about 14 million jobs from 2024 and accounts for roughly one in ten jobs globally, underscoring the sector's heavy reliance on human capital as a key driver of value creation.

Foundation to Strategy

Governance Structure



Our Values



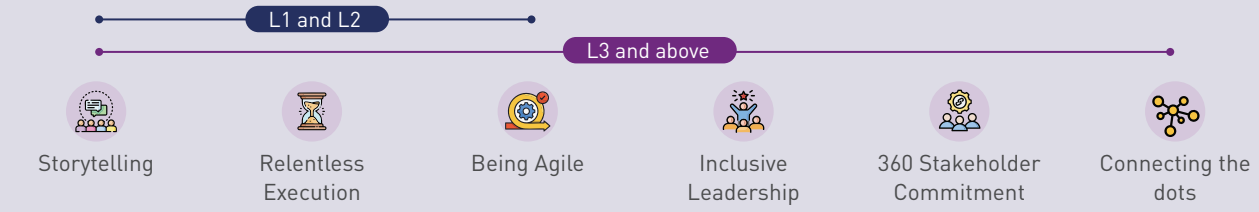
HR Policy Framework

- Recruitment and selection policy
- Policy on equal opportunity and non-discrimination
- HIV AIDS workplace policy
- Policy against sexual harassment
- Code of conduct
- Flexi-hours policy
- Tele-working policy
- Part-time work policy
- Leave policy
- Transfer policy
- Promotion policy
- Engagement policy
- Bereavement support policy
- Learning and development policy
- Gift and entertainment policy
- Diversity, equity and inclusion-related policies
- Gender policy
- Grievance handling policy
- Disciplinary procedure
- Whistleblowing policy
- Policy on ombudsperson
- Policy on support network
- Anti-fraud policy

Policies updated in 2025/26

- Reward and recognition policy
- Policy against sexual harassment
- Grievance handling policy
- Onboarding policy
- Performance management policy
- Compensation and benefits policy

Our Success Drivers

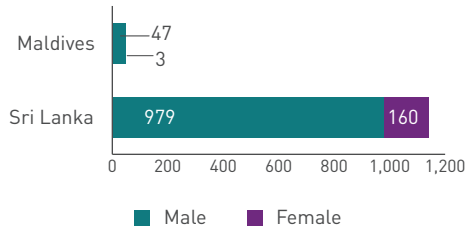


OUR TEAM PROFILE

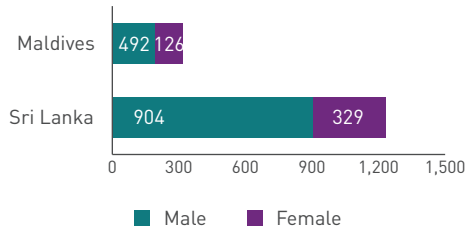
Our team comprises 3,040 members, with 2,372 based in Sri Lanka and 668 in the Maldives. Colleagues are engaged on both permanent and contractual arrangements. Additionally, 50 colleagues in the Maldives are currently on international assignments of the total workforce, 79.7% are male and 20.3% are female. The organisation does not employ part-time employees.

Outsourced staff comprise a team of 324 engaged in support functions such as security, housekeeping, kitchen stewarding, garden, F&B, and engineering.

Permanent employees by gender



Contract employees by region and gender



Age diversity by colleague level

	<30 years		30-50 years		>50 years	
	No.	%	No.	%	No.	%
Board of Directors	0	0%	3	42.9%	4	57.1%
Senior management	19	12.8%	104	70.3%	25	16.9%
Executive	122	30.7%	220	55.4%	55	13.9%
Non-executive	1,005	40.3%	1,223	49.0%	266	10.7%
Total	1,146	37.6%	1,549	50.9%	351	11.5%

Gender diversity by colleague level

	Male		Female	
	No.	%	No.	%
Board of Directors	6	85.7%	1	14.3%
Senior management	103	69.6%	45	30.4%
Executive	277	69.8%	120	30.2%
Non-executive	2,041	81.8%	453	18.2%
Total	2,427	79.7%	619	20.3%

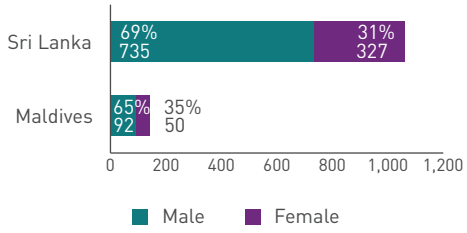
RECRUITMENT AND TURNOVER

During the year under review, we recruited 1,204 colleagues, while 1,092 left the Group, resulting in a relatively stable workforce. Voluntary and involuntary turnover rates for Cinnamon colleagues stood at 30.5% and 6.9%, respectively, in 2025/26.

Recruitment at Cinnamon in 2025/26

Recruitment by age	Number of recruits	%
<30 years	926	76.9%
30-50 years	262	21.8%
>50 years	16	1.3%

Recruitment by gender and region



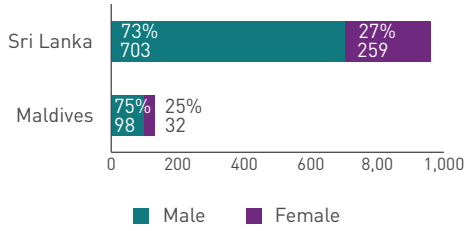
1,204

Total number of new recruits in 2025/26

Turnover at Cinnamon in 2025/26

Turnover by age	Number of recruits	%
<30 years	752	68.9%
30-50 years	296	27.1%
>50 years	44	4%

Turnover by gender and region



1,092

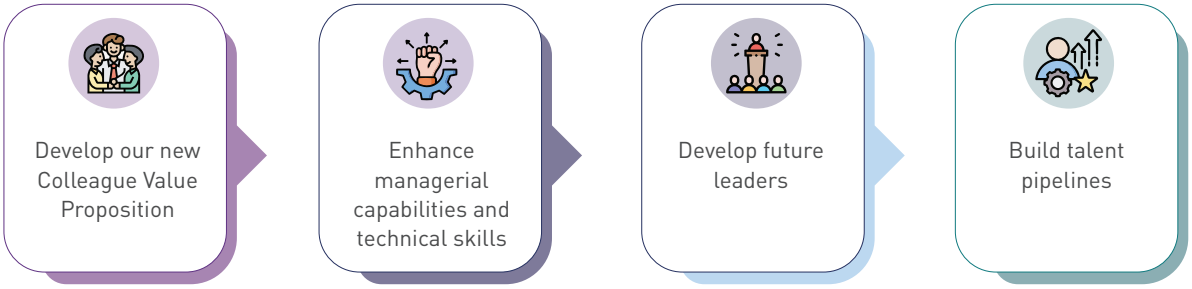
Total number of colleague turnover in 2025/26

PEOPLE

Material impacts, risks, and opportunities and their interaction with strategy and business model

Risk type	Risk description	Time horizon	Position in the value chain
Sustainability- related risk (Refer to page 326 in SLFRS 1 and SLFRS 2 disclosures)	**Talent retention /skills availability risk :** Risk of decline in service quality due to difficulties in retaining skilled service staff, leading to operational inefficiencies, increased recruitment and training costs, and potential reputational impact.	Short to Medium-term	Own operation

OUR HR STRATEGY



Our Promise:

In an increasingly competitive and fast-growing hospitality landscape, attracting, developing, and retaining top talent has never been more critical. As Cinnamon Hotels & Resorts continues to expand both locally and internationally, our people remain the driving force behind our success. To sustain our growth and strengthen our market leadership, we evaluate our Employee Value Proposition at the heart of everything we do.

Our EVP is more than a statement. It is our commitment to creating meaningful careers, empowering leadership at every level, and fostering a culture where individuals feel valued, inspired, and connected. By truly living this promise, we position Cinnamon not only as an employer of choice but also as a place where people build lasting careers filled with pride and possibility.

The Cinnamon HR Strategy Roadmap for FY 2026/27 is aligning our People agenda with our organisational ambition and values. Through this roadmap, we strengthen our focus on attraction, retention, capability development, engagement, and belonging, transforming our workforce into a powerful enabler of trust, performance, and pride across the organisation.





Colleague feedback and strategic insights for the development of our EVP Pillars were obtained utilising a range of feedback mechanisms, enabling a fit-for-purpose colleague value proposition.

How we built the employee value proposition



FOCUS GROUPS

30+

350 colleagues engaged across various properties, demographics and organisational levels.

LEADERSHIP INTERVIEWS

18 interviews

With **business leaders across properties** to ensure alignment with the John Keells Group colleague value proposition.

COLLEAGUE SURVEY

5,000+

Written responses, including over **1,800 verbatim responses** gathered from the Colleague Survey.

EXTERNAL BENCHMARK

INDUSTRY RESEARCH BY MERCER

Triangulated against a **global HR consultancy** benchmark to validate findings and frame outcomes.

PRIORITISING COLLEAGUE WELLBEING

At Cinnamon, we focus on nurturing a diverse, deeply connected, and resilient team that feels valued and supported. This includes prioritising colleague wellbeing, promoting diversity, listening to colleagues' views, and safeguarding their human rights.

Our strategic emphasis on colleague wellbeing fosters a supportive environment in which colleagues can thrive. We adopt a multidimensional approach to enhancing colleague wellbeing, including financial, physical and emotional health.

- Colleague physical wellbeing
- Diversity, equity and inclusivity
- Colleague mental wellbeing
- Colleague financial wellbeing
- Open and honest engagement
- Safeguarding colleagues' human rights
- Recognising teams
- Living values



Financial Wellbeing

The Group's Compensation and Benefits Policy ensures fair and equitable compensation for all colleagues. We offer a competitive remuneration structure aligned with industry norms. Individual remuneration is determined by merit, skill level, experience and job responsibility. During the year under review, we revised entry-level wages in line with the national minimum wage increase. Furthermore, total basic salary and overall remuneration are structured to ensure fairness and consistency across the organisation. Basic salaries are determined on a meritocratic basis, aligning compensation with individual performance and responsibilities, irrespective of gender.

Adequate Wages

All Cinnamon colleagues receive adequate compensation in accordance with the regulations in force in each of the countries where the Company operates. This verification was conducted on a country-by-country basis, using the statutory minimum wage as a reference.

The analysis was conducted by considering the guaranteed fixed salary corresponding to the lowest pay grade, excluding interns and trainees, and confirms that, in no case, does compensation fall below the minimum threshold required by local regulations.

In addition to basic pay, we offer full-time colleagues a range of benefits. These include,

- Allowances and incentives – travel and fuel allowances, vehicle loans for eligible colleagues, service charges, short-term incentives, and profit-sharing schemes.
- Supportive benefits – childcare facilities, duty meals, colleague accommodation, mobile allowances, and entertainment and laundry benefits.
- 100 days of parental leave.
- Exclusive discounts – Keells Discounts, hotel room stays, and business and personal entertainment allowances.

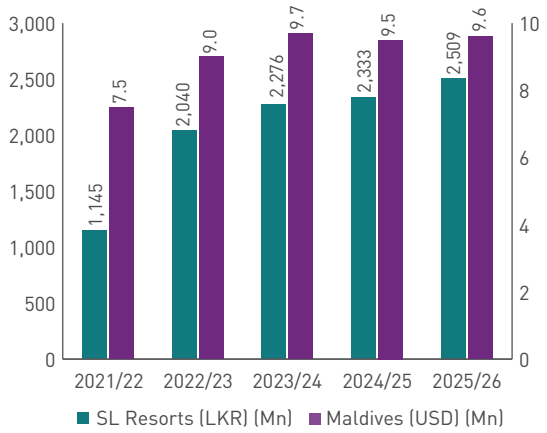
Supporting our colleagues through Cyclone Ditwah

Cyclone Ditwah, which affected Sri Lanka in late November 2025 caused significant flooding and landslides across many parts of the country. Reaffirming our commitment to colleague wellbeing during times of crisis, While the Group offered financial assistance to affected colleagues as immediate relief as well as to support recovery efforts. Cinnamon offered further finance support to help colleagues address immediate needs and support recovery efforts.

Rs. 28,805,000
Financial assistance

140
colleagues

Payments to colleagues



Physical Wellbeing

Colleague Health and Safety Framework

Cinnamon's comprehensive health and safety framework has been developed in line with regulatory requirements and the guidelines set out in ISO 45001:2018 for Occupational Health and Safety Management Systems accreditation. The framework applies to all colleagues, contracted workers and outsourced personnel working on our properties and at the administrative offices.

The effectiveness of Cinnamon's Occupational Health and Safety Management System is reviewed regularly through internal monitoring, audits and management reviews, with outcomes used to drive continuous improvement and strengthen our health and safety performance.

We follow structured processes to identify workplace hazards and assess occupational health and safety risks on both a routine and non-routine basis. Routine assessments are conducted through regular workplace inspections, risk assessments, and operational reviews covering all hotel operations and administrative office functions. Changes to operations or equipment, incidents and near misses, worker feedback, and audit findings trigger non-routine assessments. Health and safety information, procedures, and performance updates are communicated through established internal channels, enabling open dialogue and continuous improvement of workplace health and safety practices.

Health and safety committees established at all our properties facilitate active colleague participation in developing, implementing and evolving Cinnamon's occupational health and safety strategy. Colleagues are also actively encouraged to report work-related hazards, safety concerns, incidents, near

misses and feedback without fear of reprisal, to support prompt action. Formal processes are initiated to identify the root causes of health and safety incidents, enabling appropriate corrective measures to prevent their recurrence. Colleagues routinely participate in occupational health and safety training to foster a safer work environment and prevent accidents.

Royal Society for the Prevention of Accidents (RoSPA) Silver Achievement Award (UK) 2025

Cinnamon was honoured with the globally recognised, RoSPA Silver Achievement Award (UK) in 2025. Presented by the Royal Society for the Prevention of Accidents (RoSPA), this entailed a rigorous assessment of the Group's health and safety management systems, leadership commitment, risk control measures, incident management, and overall safety culture.





Heart-of-the-House

Our Heart-of-the-House spaces are designed to foster a sense of community while prioritising comfort, wellbeing and relaxation. This includes,

- Safe and comfortable staff accommodation that promotes rest and relaxation after work hours.
- A nutritious daily meal service which incorporates various dietary preferences and prioritises food quality and hygiene.
- Transportation to ease challenges related to commuting
- Gym facilities to promote physical fitness and a balanced lifestyle.

We consistently invest in enhancing the facilities of our Heart of the House. During 2025/26, Cinnamon continued to invest in Heart of the House (Back of the House) improvements across key properties to enhance colleague wellbeing through safer, more comfortable, and better-equipped living and support spaces.

Priority upgrades were delivered at Cinnamon Wild Yala (renovation of Housekeeping and F&B quarters with roof works and air-conditioning), Cinnamon Lodge Habarana (upgrades to existing staff accommodation and toilet facilities), and Cinnamon Village (driver accommodation enhancements and an emergency staircase for girls' accommodation). Cinnamon Trinco Blu strengthened day-to-day comfort in staff quarters through mattress and pillow replacements, while Hikka Tranz by Cinnamon advanced recreation and accommodation upgrades alongside practical additions to improve staff cafeteria, HR filing, and quarters amenities.

Collectively, these improvements reinforce a consistent standard of care and create an environment where colleagues can rest, recharge, and perform at their best.

Key aspects of our Occupational Health and Safety (OHS) Management System are summarised below.

Health and Safety Policy reviews

Cinnamon reviews its Health and Safety Policy annually. Serious incidents, regulatory changes and audit findings may also trigger a review of the policy. Any changes to the Policy are approved by management and are communicated across all properties.

Internal health and safety audits

- Regular on-site monitoring at a property-level
- 137 audits in total conducted during 2025/26 to provide a standardised and comprehensive assessment of compliance across the Group.
- Mystery audits to provide an independent and unbiased assessment of actual workplace practices

Health and safety committees with employee participation

Task-based Risk Analysis and Job Safety Analysis

Daily Workplace inspections and Colleague hazard reporting

Department-specific SOPs

Review of accident and near-miss trends

Electrical safety enhancements

Thermographic and insulation testing were conducted across all 9 Sri Lankan properties.



Consideration of vulnerable groups

- Safety induction for new employees
- Contractor safety declarations
- Work permit system
- Pre-work safety briefings
- Tool and equipment inspections

External assurance

All properties certified with ISO45001:2018

To ensure effective implementation of health and safety procedures across our team, regardless of language, literacy levels, or disabilities, Cinnamon adopts an inclusive communication approach. During the year under review, we developed an animated health and safety training video series featuring a well-known Sri Lankan folklore character to convey critical safety messages in a simple, engaging, and culturally familiar way, thereby enhancing awareness across diverse colleague groups. The series was produced in the local language to ensure the information was easily understood.

Health and safety training delivered to colleagues in 2025/26

3,417

On-the-job and classroom training sessions conducted in 2025/26

29,762

Training hours delivered

9.0

Training hours per colleague in Sri Lankan Resorts

17.80

Training hours per colleague in Maldives Resorts

20

Digital health and safety videos available through the Cinnamon Online Academy

4,735

colleagues trained



Safety drills and simulations for

- Safe handling of chlorine in pool operations
- Safe handling of highly hazardous chemicals
- Safe handling of operating engineering equipment
- Safe handling of hot water boilers
- Kitchen safety: Avoiding oil spills and burns while cooking
- Slip, trip and fall prevention
- Eye injury emergency response
- Working at height

07

Visual and animated learning series designed to overcome language, literacy and accessibility barriers

6,817

colleagues trained.

2,360

Colleagues trained in advanced fire safety

763

Colleagues trained in first aid

42

Mandatory life saving training for pool attendants and lifeguards

Intense chemical training

- SDS/technical data sheet awareness
- Emergency drills to improve chemical spill response readiness.

Capacity building of Compliance Executives

- ISO 14001:2015 and ISO 45001:2018 Internal Auditor Training
- Participation in the NIOSH Health & Safety Conference 2025
- Industrial exposure visits

Role-based training plans

Cinnamon provides a range of occupational health services for colleagues, aimed at preventing work-related injuries and ill health while promoting overall wellbeing. These include

- Routine medical examinations for all food handlers to ensure compliance with hygiene and health standards.
- Comprehensive workplace exposure monitoring of temperature, noise, illumination and dust levels to ensure a safe and compliant work environment.
- First-aid and emergency response arrangements.
- Medical support for work-related incidents.
- Wellness programmes that address physical and mental wellbeing.
- Breast cancer awareness programmes.
- Comprehensive insurance coverage for all colleagues, which includes
  - Workmen's compensation insurance (including work-from-home and commuting incidents)
  - Personal accident insurance (financial support for death, injury or disability)
  - Surgical and hospitalisation medical insurance (includes maternity, dental, optical, chronic and critical care).
  - Critical illness cover and parental insurance.

Occupational Health Indicators

Health and safety incidents	Internal colleagues	Contracted workers and outsourced personnel
Work related accidents and incidents	57	05
Due to falling	23	03
Due to cuts, pricks and sharp objects	21	00
Due to lifting or moving heavy items	04	00
Due to explosions and exposure to harmful rays/substances	02	00
Due to other causes	07	02
Work related fatalities	00	00
Injuries resulting in permanent disability	00	00
High consequence work related injuries (Injuries with ninety or more lost days)	00	00
Recordable work-related injuries (Injuries with lost days, less than ninety)	57	05
Work related ill-health	00	00
Total no. of lost day due to occupational injuries/diseases	507	20

Mental and Emotional Wellbeing

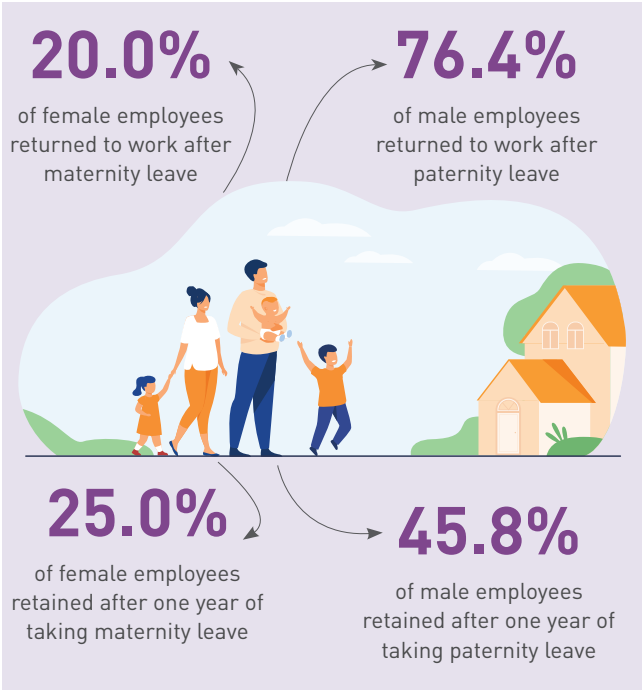
Cinnamon's approach to mental wellbeing is built on access, trust, and early support, recognising that mental and emotional resilience is essential to sustaining performance and a positive colleague experience. Our Colleague Assistance Programme (CAP), implemented in partnership with institutes supported by experienced practitioners, expanded mental wellbeing initiatives across Sri Lanka Resorts in 2025/26. The programme provides on-site counselling sessions to help colleagues manage difficult situations, available by pre-arranged appointment and ensure confidentiality at all times.

CAP sessions at each property commenced along with a series of dedicated mental and emotional wellbeing awareness sessions to build understanding, reduce stigma, and encourage colleagues to seek support early. CAP has been designed to strengthen awareness and normalise help-seeking, with a clear pathway to deepen support over time as the programme matures. Building on this foundation, we have laid the groundwork to introduce a dedicated counselling helpline for colleagues and immediate family, enabling timely access to professional support when needed. As we move into 2026/27, our focus will be to extend CAP to the Maldives, ensuring consistent, region-wide wellbeing support across the Cinnamon Hotels & Resorts.

Parental leave

Cinnamon offers colleagues both maternity and paternity leave on the birth or adoption of a child. In line with the John Keells Group parental leave policy, both parents are entitled to 100 days of paid leave, with flexibility in how colleagues utilise it.

Parental leave	Parental leave		Maternity leave		Paternity leave	
	Number	% of Total workforce	Number	% of total workforce	Number	% of total workforce
Leave availed	77	2.7%	5	0.9%	72	3.1%
Returned to work after leave	56	72.7%	1	20.0%	55	76.4%
Resignations after leave	0	0.0%	0	0.0%	0	0.0%
Retained within the organisation after 12 months of taking leave	34	44.7%	1	25.0%	33	45.8%



Colleague Engagement

We are committed to creating meaningful opportunities for colleagues to connect, collaborate, and build relationships across Cinnamon and the wider Group. To strengthen community and camaraderie, each property maintains an annual engagement calendar focused on colleague connection, recognition, wellbeing and culture across all properties. We also ensure sector-wide interactions take place at least once a year enabling colleagues to connect beyond their immediate teams and deepen a shared One Cinnamon spirit.

Other engagement events included

- Festive, cultural and national celebrations
- Wellness programmes, health camps, and awareness sessions.
- Sports events, theme nights, outings, family gatherings and inter-departmental activities.
- Active participation in the Group's CSR initiatives to promote a sense of purpose that extended beyond the workplace.





Cinnamon Premier League (CPL) Cricket Carnival

This event brought together colleagues from across the Cinnamon Group including Sri Lanka and the Maldives in a vibrant celebration of teamwork, camaraderie and One Cinnamon spirit. Alongside the matches, a tent competition added a creative dimension to the event, encouraging teams to collaborate, innovate, and showcase their identity, strengthening cross-property relationships and deepening a sense of collective pride through friendly competition. The event served to connect colleagues beyond their day-to-day roles, strengthen cross-property relationships and build a sense of belonging through friendly competition and collective pride.





DIVERSITY, EQUITY AND INCLUSION

A diverse team brings varied perspectives, elevates decision-making, strengthens culture and improves service delivery in multicultural guest environments. We intentionally embed diversity and inclusion into how we attract, develop and progress talent. This commitment is reflected in our recognition of "inclusivity" as an organisational value and is underpinned by a policy framework that actively promotes equal opportunities and expressly prohibits discrimination, harassment and unethical behaviour.

Empowering women

Increasing female participation has been a key focus at Cinnamon in recent years, particularly given the under-representation of women in Sri Lanka's hospitality industry. We have implemented a range of strategic initiatives to foster an inclusive and empowering work environment for women, enabling us to achieve female representation levels considerably above the industry average.

20.3%

Female representation at Cinnamon in 2025/26 against an industry average of 10%.

23.1%

Female representation at leadership level in 2025/26

EmpowHer network

The EmpowHer network reflects our commitment to creating an environment where women are empowered to thrive. EmpowHer teams have been established across all properties to actively engage female colleagues, identify their perspectives and understand the realities shaping their experience at work. These insights directly inform the year-round calendar of initiatives organised by each property to address the priorities and concerns raised by the women in their teams.

EmpowHer champions at both the property and corporate levels convene monthly to track progress against the Group's diversity and inclusivity commitments, thereby strengthening consistency and accountability. These meetings serve to monitor progress against targets, identify areas for improvement, and share best practices across the Group to ensure consistent progress in empowering women to perform at their best.

A year-round calendar of events underpins the EmpowHer programme.

Awards

Cinnamon Hotels & Resorts' commitment to Diversity, Equity and Inclusion has been recognised through two significant external accolades during the year. Cinnamon was named a winner at the inaugural DEI Champions Awards 2025 by the Ceylon Chamber of Commerce, receiving the "Leadership in Gender Equality" award in recognition of the organisation's sustained efforts to foster an inclusive workplace across its operations. In addition, Cinnamon's DE&I programmes were recognised at the JKH Chairperson's Awards, acknowledging initiatives that have delivered meaningful, measurable and sustainable impact—reinforcing DE&I as a strategic priority embedded into how we build culture, enable opportunity, and support colleagues to thrive.



Cinnamon organised YOUR PLACE. YOUR POWER

Women in Tourism Career Summit, connecting students and young professionals with women leaders shaping the sector. The initiative supported broader industry awareness, safety, and career visibility, and features industry insights



Celebrating Us - Role-model panel discussion with a vision board exercise for goal setting.



Beyond the Workplace - Showcasing female colleagues' talents through exhibitions and performances.



Leading with Confidence - Leadership skills sessions with junior–senior mentoring.



Empowering persons with disabilities

Our commitment to empowering persons with disabilities (PWD) continued into 2025/26. During this year, the Group established the EmpowerAbility Committee to oversee the implementation of PWD inclusion within the organisation. The Committee is responsible for developing procedures and action plans to create a supportive environment for the inclusion of PWDs.

In 2025/26, Cinnamon launched a pilot programme to assess the feasibility of integrating visually impaired individuals into the Reservations Department. As part of this initiative, we employed one visually impaired individual as a Reservations Agent for six months in the Global Reservations Department and provided specialised software to support their work. The insights gained from this pilot programme will inform future efforts to include visually impaired individuals in our team. Our structured PWD inclusion programme is designed to create a supportive work environment for new recruits.

35

Persons with disabilities employed by Cinnamon in 2025/26.

Our structured PWD inclusion programme is designed to provide a supportive work environment for recruits.



During the year under review, all HR Managers and Directors received specialised training in sign language. Conducted in collaboration with the Sri Lanka Central Foundation of the Deaf, this programme equipped our HR and operations teams with essential communication skills to engage effectively with colleagues with hearing impairments. Through this 36-hour training programme, participants gained foundational knowledge of Sri Lankan sign language and learnt best practices for inclusive interactions.

Open and honest communication

We foster a culture of honest engagement through open communication channels and transparent policies. Structured listening mechanisms include an open-door policy, town halls, CEO/GM interactions, and the EmPulse colleague satisfaction survey. Our new open-plan offices are designed to encourage interaction and teamwork, while multiple avenues for feedback ensure every voice is heard and every contribution is recognised.

In 2025, the JKH Group introduced EmPulse, a group-wide employee engagement survey built on the Gallup platform. This initiative marks a shift towards a more data-driven, globally benchmarked approach to understanding employee engagement and experience across the Group.

Conducted annually across all JKH companies, EmPulse measures key drivers of engagement, including clarity, recognition, growth, and connection to purpose. The survey enables leadership to track trends over time, identify priority areas, and align people initiatives with business strategy. In its inaugural year, CH&R recorded a strong overall engagement score of 4.22%, providing a clear baseline to guide future improvements and sustain momentum.

EmPulse is not just a measurement tool - it is a platform for listening, acting, and continuously strengthening a high-performance, people-centric culture across JKH and Cinnamon.

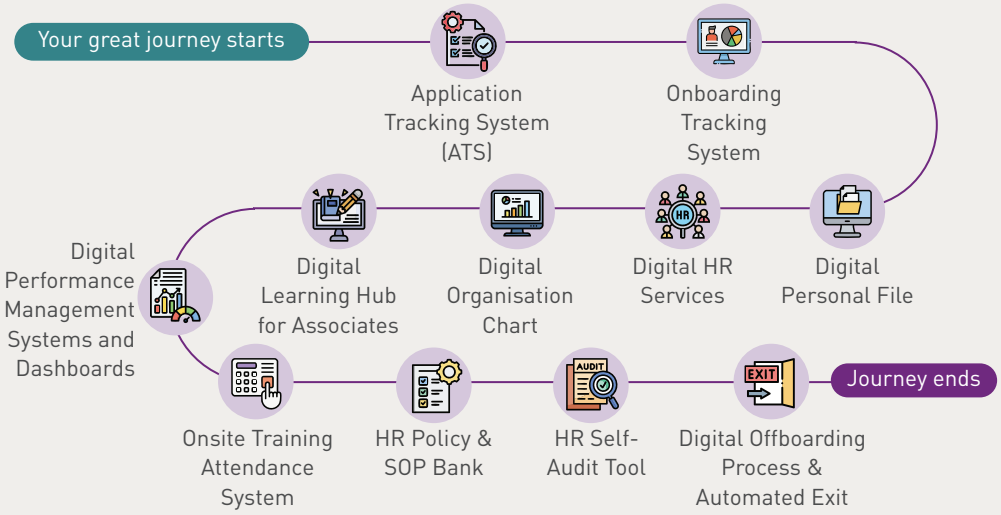
Whistleblowing policy

Our whistleblowing policy outlines clear guidelines and reporting channels for colleagues to raise concerns about unethical or improper conduct, ensuring that they can do so without fear of retaliation. The Cinnamon Executive Committee is responsible for reviewing and investigating whistleblowing issues and taking appropriate action when necessary, while also protecting the whistleblower's anonymity.

Whistleblowing matters that are escalated to the JKH Group are managed by an independent ombudsman, a process that also applies to Cinnamon employees. The JKH Group Whistleblowing Policy covers all employees and relevant third parties, including consultants, interns, contractors, freelancers, and agents.

Colleague Digital Journey

Our decentralised human capital governance approach has deepened property-level colleague engagement and improved responsiveness to colleague needs. Concurrently, digital solutions embedded at multiple stages of the colleague journey have simplified workflows and improved efficiency, enabling a seamless colleague experience.



Recognising Teams

Hall of Greatness has evolved into a high-visibility, values-led recognition platform that celebrates colleagues who consistently turn Cinnamon's culture into measurable impact. In 2025/26, the programme recognised 170 winners across Sri Lanka Resorts and the Maldives, reinforcing a performance culture rooted in values and strengthening pride, motivation, and retention through meaningful recognition. spotlighting excellence at the individual and leadership level through structured monthly, quarterly and annual awards, Hall of Greatness strengthens the behaviours that define Cinnamon—creating a shared standard of greatness and celebrating colleagues who elevate guest experience and team performance every day.

Safeguarding colleagues' human rights

Our people governance structure is designed to uphold the human rights of all colleagues and is aligned with legal requirements, industry best practices, and relevant sustainability standards. Our HR policy framework includes clear policies prohibiting sexual harassment, child labour, and forced or compulsory labour. Our whistleblowing Policy provides a trusted channel for colleagues to report concerns or violations without fear of reprisal, while our open-door policy encourages transparent communication and early resolution of issues.

Our policies also reinforce a zero-tolerance approach to discrimination across all aspects of human capital management, from recruitment and progression to workplace conduct and employee relations. To support this, we have established formal procedures for raising and addressing discrimination-related grievances, ensuring that concerns are handled fairly, consistently, and confidentially.

During the year under review, no human rights violations, child labour, or forced/compulsory labour incidents were reported. Strong governance practices and a supportive organisational culture that celebrates diversity contributed to the reporting of no incidents of discrimination in 2025/26. In addition, the Group incurred no monetary losses arising from legal proceedings related to labour law violations during the year.

We also uphold the right to freedom of association and collective bargaining. There are no collective bargaining agreements in place; however, we have a Memorandum of Understanding (MOU) with ICEU for properties that are unionised. We maintain regular dialogue with union representatives and provide advance notice of significant operational changes.

Talent management as a strategic lever

In a business environment marked by constant transformation and increasing competitive pressure, talent management has become a strategic pillar for strengthening the Group's sustainability and leadership. The Company's holistic approach to the employee experience, centred on competency development, personalised growth pathways, and recognition practices aligned with corporate values, drives a culture that fosters engagement, continuous learning, and operational excellence.

Strengthening inspirational leadership, promoting collaborative and innovative environments, and investing in development programmes designed to anticipate future business needs are key levers for enhancing team performance and ensuring the Group's adaptability in response to industry challenges.

We consistently invest in upskilling and developing our team at all levels of Cinnamon through structured learning ecosystems and development pathways. Training is delivered primarily through the Cinnamon Online Academy and is complemented with external competency development programmes.

Rs 77Mn

Investment in training and development in 2025/26.

>Rs 8.5Mn

Investment in online training and development in 2025/26.

Cinnamon Online Academy

The Cinnamon Online Academy, our purpose-built digital learning platform, has consistently made upskilling accessible to all our colleagues across Sri Lanka and the Maldives. The platform is designed to meet diverse learning needs across levels and roles and enables colleagues to learn anytime, anywhere, while supporting the business with a more agile and future-ready talent base.

During 2025/26 we significantly expanded the Academy's capability and relevance across levels and roles. We introduced 45 new courses for L1 colleagues and 20 targeted courses for L2 colleagues, L3 and L4 - 16 courses, ensuring that learning content was tailored to the needs, expectations and progression pathways at each career stage.

The Cinnamon Online Academy has also supported the digitalisation of colleague evaluations to strengthen consistency, transparency and data-driven development.

We also conducted 4 colleague engagement programmes through the platform in 2025/26.

Sustainability in Action : A Hotel Green Tour

A video challenge showcasing hotel sustainability practices.

Together Stronger

A video challenge to celebrate World Mental Health Day.

Resilience Challenge

Bounce Back in Action – share your story as a video clip and post on COA.

Spirit Week in celebration of Learning Day

A one-week quiz competition with quizzes based on the Cinnamon Group.

>400

Total courses offered in 2025/26.

>22,000

Total online training hours in 2025/26

84%

Training coverage in 2025/26

Managerial core skills development

The Managerial Core Skills Framework was developed to equip leaders with essential competencies to drive operational productivity, lead effectively and ensure business success. This framework aims to strengthen critical managerial skills which include conducting effective meetings, project management, time management, providing effective feedback and measuring return on investment.

Meeting Mastery 81

Total online training hours in 2025/26

Effective Feedback 66

Managers trained in 2025/26

ROI based Finance Leadership

67 Managers trained in 2025/26

Our training record in 2025/26

By employee category	Average training hours per colleague in 2025/26
Executive and above	26.68
Non-executive	66.62

By gender	Average training hours per colleague in 2025/26
Male	117.56
Female	57.6

Special Training focus in 2025/26

- Leadership training – Heart and Science of Leadership for MAP pool, ISH Management Development, Sales Leadership
- AI adoption
- WSET qualification
- DE&I sensitisation

Develop future leaders

Our strategic focus on developing internal talent for leadership roles reflects our commitment to supporting colleagues' career aspirations while ensuring leadership continuity and operational excellence across our properties in Sri Lanka and the Maldives.

56%

Vacancies filled through internal promotions in 2025/26

ISH Management Development Programme

In June 2025, Cinnamon launched the ISH Management Development Programme in partnership with the Indian School of Hospitality (ISH) and Leela Hotels, Resorts and Palaces. This structured leadership and management capability building pathway combined classroom learning, shadowing and on-the-job projects to prepare high-potential operational leaders for expanded managerial and property leadership responsibilities

By integrating Cinnamon's business context with global hospitality best practices, this programme develops practical skills essential for hotel operation and delivering exceptional guest experiences. It focuses on enhancing competencies in financial management, operational excellence, leadership, commercial acumen, change management, and service design. High-potential individuals who have consistently performed above threshold, show leadership potential, and demonstrate learning agility, mobility, and readiness for greater responsibilities, were chosen for this programme.



15

Total participants

Course Structure

>10 days

Classroom learning

4

Female participants

>5 days

Shadow Role exposure per Colleague

100% of the participants

Received stretch assignments within 6 months

19

Projects

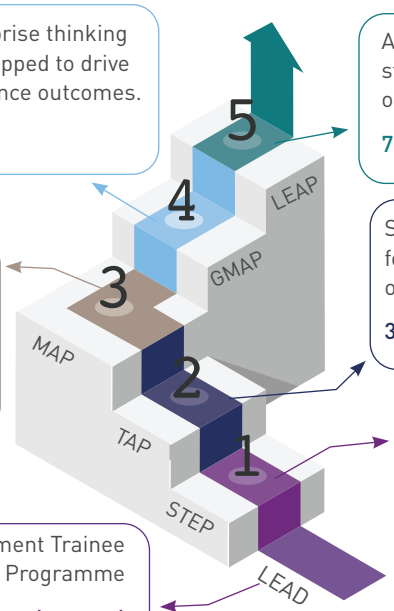
We also maintained commitment to our structured succession planning programme which supports colleagues' career progression across organisational levels through formal training and cross-functional exposure.

Developing functional heads with enterprise thinking to ensure department leadership is equipped to drive performance, culture and guest experience outcomes.

18 colleagues in the talent pool

Accelerating managerial readiness and strengthening the feeder bench for senior operational leadership positions.

7 colleagues in the talent pool



Equip team leads for the next step in their career with soft skills and focused technical skills to achieve operational excellence.

14 colleagues in the talent pool

Strengthening front-line leadership readiness by focusing on people leadership, service standards, operational discipline and execution capability.

33 colleagues in the talent pool

Building foundational capability and early career momentum through structured exposure, skill development and performance-led progression.

60 colleagues in the talent pool

LEAD Management Trainee Programme

7 in the talent pool

Rate of promotion out of talent pools	%
Leadership Accelerator Programme (LEAP)	56%
Graduate Management Acceleration Programme (GMAP)	29%
Management Acceleration Programme (MAP)	57%
Talent Acceleration Programme (TAP)	18%
Supervisory Talent Programme (STEP)	48%
LEAD (Learn, Edify, Ascent and Develop)	100%

Performance management

Cinnamon's performance management is designed to foster colleague growth and capacity building while driving progress towards the Group's business objectives. Aligned with its parent entity, John Keells Group PLC's, appraisal framework, Cinnamon's performance evaluation process is anchored in a Balanced Scorecard methodology that nurtures the holistic development of talent across multiple dimensions.

At the beginning of each year, executive colleagues and supervisors agree SMART performance objectives that support the development of role-relevant competencies and align with Group objectives. Performance is reviewed bi-annually through a structured cycle that includes self-assessment and supervisor evaluation, enabling feedback for improvement. Annual performance ratings are subsequently validated by a Career Committee comprising senior management representatives and an independent member, facilitating governance, consistency and fairness in outcomes.

Further enhancing the process, our performance management includes regular performance conversations, with opportunities for skip-level discussions and 360-degree feedback where relevant. In addition, a customised, automated system has been introduced for non-executive employees to streamline performance management and improve efficiency. 45% of colleagues received a performance appraisal in 2025/26.

During the year under review, we created dashboards that captured progress on all business KPIs in real time, enabling data-driven decision-making across all levels of management within the Group.

Count of User/Employee ID Column Labels

Row Labels	No	Yes	Grand Total	% of employees completed appraisal
Female	350	198	548	36%
Male	1,216	1,102	2,318	48%
Grand Total	1,566	1,300	2,866	45%
Executive	69	476	545	87%
Non Executive	1,497	824	2,321	36%
Grand Total	1,566	1,300	2,866	45%

Build pipelines

Ongoing investments in entry-level talent development have enabled us to nurture a strong pipeline of skilled professionals that meet Cinnamon brand standards while equipping Sri Lankan youth with industry-relevant skills that align with international standards.

CINNAMON HOSPITALITY ACADEMY

The Cinnamon Hospitality Academy solidified its role as an essential entry-level talent pipeline for both Cinnamon and the broader Sri Lankan hospitality industry in 2025/26. Established in collaboration with the Swiss Hotel Management Academy (SHMA), which serves as the licensee for the prestigious École Hôtelière de Lausanne (EHL) in Sri Lanka, the Academy offers the internationally recognised EHL Vocational Education and Training (VET) qualification. This carefully designed program combines 18 months of classroom learning with a 12-month internship, elevating entry-level skills to internationally recognised standards. Additionally, the Academy introduced the Swiss Apprenticeship "Gold Standard" framework through a structured Learn & Work model.

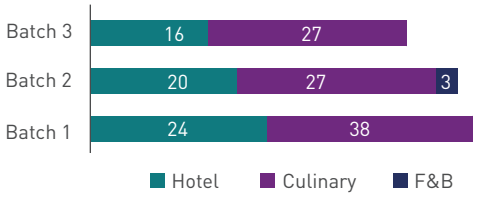
	Male	Female	Total
Batch 1	29	14	43
Batch 2	31	19	50
Batch 3	43	19	62
Total	103	52	155



Progressive growth in participants across successive batches



Focus Area by department



CINNAMON LEAD MANAGEMENT TRAINEE PROGRAMME

This 18-month development programme is designed to build entry-level talent through structured learning and real-world exposure. The programme, which consists of four stages, Learn, Edify, Ascent and Develop, combines classroom training, practical cross-functional exposure and targeted immersion in the Maldives to strengthen entry-level readiness to deliver service excellence across diverse guest contexts and operational standards.

9 Candidates were selected in 2025/26 and provided training across the critical functions of Front Office, Housekeeping and Food & Beverage.

WAY FORWARD IN 2026/27

In the year ahead, we will focus on embedding our EVP into everything we do - ensuring it is not just a statement, but a lived experience for every colleague across the Group. This means aligning our people practices, leadership behaviours, and daily decisions with our EVP promise, so that every interaction consistently reflects who we are as an organisation.

We will translate the EVP into tangible actions across the employee lifecycle - from how we attract and onboard talent, to how we develop, recognise, and retain our people. Leaders will play a critical role in bringing this to life by role modelling the EVP and reinforcing it through everyday conversations, decisions, and team culture.

At the same time, we will strengthen our listening mechanisms, including EmPulse insights, to ensure we continuously respond to colleague feedback and close the gap between promise and experience. Through this, our goal is to build a more engaged, inclusive, and high-performing workforce in which every colleague feels a strong sense of belonging and pride in being part of our journey.

FOOD SAFETY-RELATED INITIATIVES IMPLEMENTED ACROSS OUR PROPERTIES IN 2025/26

During the year under review, we implemented a range of initiatives to enhance the safety and strengthen food-related safety measures.

Food safety training

We launched a comprehensive series of food safety training videos on the Cinnamon Online Academy during 2025/26. The videos provided visual and practical guidance on a range of essential operational practices, including

- Date marking, labelling, and stock rotation (FIFO)
- Personal hygiene and handwashing practices
- Prevention of cross-contamination and allergen management
- Food storage, thawing procedures, temperature monitoring, and receiving guidelines
- Cleaning, sanitising, and vegetable sanitisation practices
- Waste management and food waste control
- Pest prevention and glass contamination control
- Procedures for managing food-related emergencies

These visual demonstrations, set in a real-world hotel environment, improved colleagues' understanding of appropriate procedures, enhanced consistency in operational practices, and supported compliance with ISO 22000:2018 Food Safety Management Systems. They also supported alignment with the requirements of FSSC 22000 certification.

- Strengthening the competencies of the Compliance Team Cinnamon conducted several specialised training programmes during 2025/26 to enhance the knowledge and competencies of the Compliance Team in food safety. These included,
- Threat Assessment and Critical Control Points (TACCP) and Vulnerability Assessment and Critical Control Points (VACCP) training in line with the requirements of FSSC 22000.

This programme aimed to enhance the Compliance Team's knowledge of food defence and food fraud prevention, aligned with the FSSC 22000 standard. TACCP training concentrated on identifying and managing deliberate threats to food safety, like sabotage or malicious contamination, whereas VACCP training targeted weaknesses in the supply chain that could result in food fraud, adulteration, or product substitution.

By participating in this training programme, the Compliance Team developed competency in conducting structured threat and vulnerability assessments, identifying high-risk materials and processes, and implementing preventive control measures within hotel operations and the supplier network.

Conducted in collaboration with an accredited training partner, these training initiatives equipped new recruits with the skills needed to conduct internal audits and ensure compliance with the requirements of the above accreditations.

Allergy management training

Cinnamon continued to prioritise effective allergen management through annual refresher training programmes for culinary teams, food handlers, and service staff across all our properties.

The training reinforced knowledge of common food allergens, the risks of cross-contact during food preparation, correct cleaning and segregation practices, accurate food labelling, and effective communication with guests about allergen-related enquiries. It emphasised practical controls within kitchen operations to prevent allergen cross-contact and ensure safe food preparation for guests with food allergies.

The refresher programme also highlighted the importance of complying with established allergen management procedures within the ISO 22000:2018 Food Safety Management System. By conducting these programmes annually, Cinnamon ensures that colleagues remain vigilant, competent, and confident in managing allergen risks, thereby strengthening guest safety and trust.

Enhancing food safety external verification through expanded testing

During the year under review, Cinnamon strengthened its food safety verification framework by expanding its testing programme to include two additional laboratory-based tests as part of routine monitoring at properties.

1. Surface swab testing – This test was introduced to scientifically validate the effectiveness of cleaning and sanitation practices. Test results provided objective evidence that cleaning procedures were effective in preventing cross-contact, thereby supporting effective food safety management and protecting guests from foodborne illnesses.
2. Microbiological testing for opened food products with a limited shelf life (three days) – As a pilot initiative, this was implemented across selected properties. The testing verified that kitchen storage, handling, and usage practices maintained food within safe microbiological limits throughout its lifecycle. The results further confirmed the effectiveness of temperature control measures, stock rotation practices, and hygiene standards followed by food handlers.

These tests were conducted through accredited laboratories and enhanced Cinnamon's ability to detect potential hygiene lapses early, validate the effectiveness of operational controls, and further strengthen consumer protection through improved allergen control and microbiological safety.

Aligning our food safety framework with FSSC 22000 Version 6.0 Certification

As part of the initiative to obtain Global Food Safety Initiative (GFSI)-recognised FSSC 22000 Version 6.0 Food Safety Management System Certification for all Cinnamon hotels, internal gap audits were conducted across all properties in Sri Lanka and the Maldives during the year under review. These audits assessed compliance with certification requirements and identified gaps that needed to be addressed.

PLANET

Nestled within beautiful natural environments, our properties afford a deep connection with the surrounding lands, waters, and wildlife. This connection shapes our strategies to reduce our environmental impacts, guides our biodiversity conservation efforts, and underpins our engagement with guests, colleagues, and local communities to foster a culture of shared accountability for preserving our natural environment.



- **Biodiversity and ecosystems**
- **Climate change**
- **Resource use and circular economy**
- **Water resources**

Environmental stewardship sits at the core of our long-term value creation strategy. Taking a structured, portfolio-wide approach, we manage our environmental impact across energy efficiency, waste management, water stewardship and biodiversity conservation while actively engaging our guests, colleagues, and local communities to drive sustainable outcomes across all our operations.



CARING FOR OUR ENVIRONMENT IN 2025/26

Biodiversity and Ecosystems

Conserving, restoring and preserving our ecosystems.

- Preserving marine ecosystems
  - Coral reef restoration
  - Sea turtle conservation
- Preserving biodiversity on land
  - Rainforest conservation
  - Focused conservation initiatives
  - Tree planting
- Fostering conservation awareness.

331 coral cubes established since 2023.

5,748 sea turtle hatchlings released

3,188 trees planted

Climate Change

Sustainable energy consumption and minimising our carbon footprint.

- Data-driven initiatives to optimise energy efficiency
- Renewable energy utilisation

0.65% reliance on renewable energy

3.62% improvement in energy intensity

7.23% increase in our carbon footprint

4.29% improvement in emission intensity

Resource use and circular economy transitioning to sustainable alternatives

- Initiatives to reduce single-use guest-facing plastic consumption
- Supporting the development of sustainable alternatives to plastic
- Beach clean-up initiatives
- Community engagement

2,628.39 kg plastic waste collected through beach clean-ups and ocean strainers

69% reduction in the consumption of single-use guest-facing plastic

416 volunteers engaged in beach clean-up initiatives

Water Resources

Responsible water management

- Comprehensive water audits
- Rainwater harvesting
- Wastewater recycling

4.36% increase in water withdrawal

6.18% improvement in water intensity

8.15% reduction in rainwater harvested

34.63% water reused

Waste Management

Waste reduction and responsible management.

- Waste segregation and category specific management strategies
- Reuse and recycle initiatives
- Food waste reduction

81% of waste is diverted from landfills.

Biodiversity and Ecosystems

The Group recognises that biodiversity and ecosystems are essential components of the value of its destinations. In this regard, the hotel group seeks to balance economic development with the conservation of natural capital by integrating prevention and protection criteria into its management model.

Interactions with biodiversity are a natural part of our operations. The proximity of our properties to protected and legally designated conservation sites has led to the presence of many protected species on our properties, while responsible wildlife encounters are an integral part of our guest experience.

Biodiversity and the hotel industry are closely interconnected. About 80% of tourism is concentrated in coastal regions and depends on natural resources and healthy ecosystems, making biodiversity vital to the sector. However, if not managed carefully, tourism can lead to deforestation, habitat fragmentation, and damage to sensitive ecosystems such as reefs and mangroves, increasing the risk of biodiversity loss and species extinction.

These impacts can bring legal, regulatory, and reputational risks, as strict laws often require ecosystem preservation, protection of critical habitats, and prevention of environmental harm, especially in coastal and marine-terrestrial areas. This connection creates a dual challenge: promoting biodiversity through responsible tourism and minimising negative effects with restoration and conservation efforts, all while aligning with local policies and legal requirements.

On the other hand, protecting biodiversity offers strategic opportunities for the hotel group, such as competitive differentiation and strengthening the corporate image. Initiatives such as habitat restoration, species conservation programmes, and partnerships with environmental organisations create value for guests and partners, aligning with the growing demand for responsible tourism.

Sustainability-related and Climate-related risks and opportunity management

Risk type	Risk description	Time	Position in the value chain
Sustainability- related risk (Refer to page 325 in SLFRS 1 and SLFRS 2 disclosures)	**Biodiversity-driven demand risk** Risk of reduced business demand due to ecosystem- and biodiversity-related exposure in ecologically sensitive areas from extreme climate events (incl. coral reef and marine ecosystem health in the Maldives; wildlife-based Tourism in Sri Lanka's dry zone parks).	Short to Long-term	Own operation and upstream activities
Sustainability-related opportunity (Refer to page 327 in SLFRS 1 and SLFRS 2 disclosures)	Protect nature-linked demand by strengthening biodiversity and ecosystem stewardship across key destinations, including reef and marine conservation in the Maldives and collaboration with regulators and supply-chain partners on park management and wildlife corridors in Sri Lanka. These initiatives support destination resilience, preserve the natural assets that underpin guest appeal, and help safeguard long-term tourism demand.	Short to Long-term	Own operation and upstream activities

Against this backdrop, Cinnamon ensures that its interactions with biodiversity are responsible while maintaining a strong focus on conservation. The Cinnamon Biodiversity Policy, while not specifically aligned with the Kunming-Montreal Global Biodiversity Framework, was developed with reference to several local and international biodiversity-related regulations and standards, including the National Biodiversity Strategic Action Plan (2016-2022), the National Policy on Biodiversity (2024), and the Sri Lanka Biodiversity Action Plan Framework and BCAP (1998/1999). It also reflects mandatory environmental approvals under Sri Lanka's National Environmental Act.

The Policy applies across all properties in Sri Lanka and the Maldives and sets out Cinnamon's biodiversity-related commitments.

Property Level Biodiversity Management:

- We aim to reduce our impact on biodiversity across our operations and supply chain, working towards preventing biodiversity loss over the long term.
- We carry out biodiversity assessments at our properties, with a particular focus on threatened species assessed against the IUCN Red List Categories and Criteria and update them every three years to better understand and manage our impacts.
- Native, indigenous and endemic flora are prioritised when enhancing green cover and landscaping.
- We protect natural habitats around our properties and take steps to minimise disturbance to wildlife.

Habitat Protection, Restoration & Reforestation

- We invest in ecosystem restoration beyond the immediate scope of our properties through long-term initiatives such as the Cinnamon Rainforest Restoration Project.

Governance & Accountability

- Internal controls are established to ensure that the commitments in the policy are adhered to.
- Our teams and guests are engaged through awareness and training programmes on the importance of biodiversity conservation.

Sustainable Use of Biological Resources

- We promote responsible sourcing of seafood, timber, agricultural produce and plant material to avoid harmful harvesting practices.
- We work to prevent overuse of local species and ecosystems across our operations and supply chains.
- All colleagues and partners adhere to our Wildlife Interactions Policy to ensure wildlife is treated responsibly.

New Builds & Future Expansions

- For new developments and expansions, we aim to minimise biodiversity loss, ideally to zero.
- Natural habitats, sensitive ecosystems and wildlife corridors are avoided during site selection and construction.
- All new projects follow national environmental approval processes, including EIAs and IEEs where required.
- Developments are aligned with Sri Lanka's national biodiversity priorities and planning frameworks.
- Biodiversity-sensitive design is integrated into planning, construction and landscaping.

Stakeholder Engagement

- Meaningful, ongoing engagement with local communities, relevant authorities and conservation partners where appropriate to inform mitigation measures, and monitoring priorities.

Value Chain Impacts

- Cinnamon will broaden its focus beyond direct operations to also manage key value chain impacts relevant to hospitality, focusing on both upstream and downstream of the value chain.

There have been no negative impacts on biodiversity from any of our properties during the year in review.

No actions were undertaken during the reporting period to advance access to genetic resources or benefit-sharing; accordingly, no related initiatives or contributions were recorded. While no goals have been established regarding biodiversity interactions at present, Cinnamon conducts periodic biodiversity assessments across all properties to monitor the impact of its operations on biodiversity within them. Since 2021, we have collaborated with Cinnamon Nature Trails and the Open University of Sri Lanka to conduct biodiversity assessments across our properties, establishing a baseline for evaluating our impacts.

In 2025/26, a biodiversity assessment was conducted across all our Maldivian properties, with the results compared with the 2021 baseline (for more information, please refer to "Monitoring Marine Ecosystems" on page 85). Below is a summary of the biodiversity observed in our properties, as identified through these assessments.

	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)	Not Evaluated (NE)	Total species	Endemic
Coral species	0	0	0	2	2	0	4	0
Dragonflies	0	0	2	6	48	0	56	2
Butterflies	0	0	12	15	184	21	232	4
Total invertebrates	0	0	14	23	234	21	292	6
Fish	0	0	1	1	43	19	64	3
Amphibians	0	0	0	2	24	0	26	6
Reptiles	0	7	6	10	84	2	109	21
Birds	5	3	15	27	381	0	431	17
Mammals	0	7	3	6	54	0	70	4
Total vertebrates	5	17	25	46	586	21	700	51
Total species	5	17	39	69	820	42	992	57

Based on these assessments, properties have developed action plans to increase biodiversity while conserving the plant and animal species already present. Given the proximity of Cinnamon Lodge Habarana, Habarana Village by Cinnamon, Cinnamon Wild Yala and our properties in the Maldives to biodiversity rich and legally protected national parks, specific emphasis was placed on ensuring responsible interactions within these properties.

Property	Action plans focus areas
Habarana Village by Cinnamon and Cinnamon Lodge Habarana	**Habitat – Dry-zone forest and wetland** • Removing invasive species Identifying and removing invasive plant species to protect the habitats of native flora and fauna. • Labelling tree species Labelling tree species across the premises to build botanical literacy among colleagues and curious guests. • Protecting nesting sites Identifying and labelling bird nesting sites to promote awareness and responsible behaviour in those quiet, vital spaces. • Curated nature walks & night tours Specially curated walks allow guests to responsibly experience the multitude of species - in their natural habitats. **Otter Conservation Initiative** An adult female Eurasian Otter *(Lutra lutra)* and her three cubs utilised the water bodies in our hotel garden as their natural hunting grounds. Given the serious threats posed by stray dogs, we installed a chain-link fence around their habitat, which prevented the dogs from entering while allowing the otters to move freely and naturally within it. Eurasian Otters are considered Near Threatened globally under the IUCN Conservation Status.
Cinnamon Wild Yala	**Habitat – Open scrubland & park edge** • Guest awareness of wildlife proximity Special sessions for guests on responsible and safe interactions with the wildlife present in close proximity to the property. • 'Being relevant and respectful within the wilderness' A mandatory awareness session was conducted for all colleagues to foster knowledge, promote responsible co-existence, and strengthen readiness for potential wildlife encounters.
Maldivian properties	**Habitat – Coral reef, lagoon & seagrass** • Coral & marine biodiversity awareness Special notices and on-site signage create awareness of the importance of corals and the marine biodiversity surrounding each property. • Turtle protection Guidance for guests and colleagues on respectful turtle encounters, nesting beach behaviour, and reporting protocols for sightings. • Seagrass beds Education on the role of seagrass as a carbon sink, nursery and habitat — and our commitment to preserving the meadows around each island.

Additionally, Cinnamon also engages with guests and the broader community through awareness for safe and responsible interactions with biodiversity. This included,

- Training for jeep drivers at safari parks in Habarana and Yala – this training programme, conducted in the previous financial year, focused on raising awareness on responsible and safe wildlife safari experiences through minimising fire risk and thereby the risk of wildfires and raising guest awareness on responsible behaviour to maintain the wellbeing of both guests and wildlife. The awareness is scheduled to be conducted every two years.
- Facilitating responsible safari experiences during large biodiversity events such as the Elephant Gathering at Minneriya National Park.
- Disallowing single-use plastic items on nature-based guest excursions while ensuring all waste items are collected and brought back to the property for responsible disposal.
- A single-use plastic-free policy in the Maldives, which requires guests to hand in any PET bottles to the reception at check-in. All properties provide guests with reusable aluminium water bottles, eliminating the need for PET-based water bottles.

- Promoting reef safe sunscreen in the Maldives as part of our efforts in coral reef conservation.
- Responsible nature-based guest excursions that leave only footprints behind by our team of qualified naturalists at Cinnamon Nature Trails.
- Cinnamon Nature Trails' wildlife documentaries with BBC Natural History, Nat Geo Wild and ZDF Germany, which showcase the rich diversity of Sri Lanka's wildlife while drawing attention to critical conservation priorities and the work currently being carried out in the country.

None of our properties is located in protected areas or legally designated conservation zones. The table below shows the distance from each Cinnamon property to the closest national park, sanctuary, forest reserve, or other protected site, according to official classifications published by the Government of Sri Lanka.

Hotel/Resort	Name of Protected Area	Proximity to Hotel / Resort	Total Area of the Hotel/Resort (Ha)
Cinnamon Lodge Habarana	Minneriya National Park, Kaudulla National Park & Ritigala Strict Nature Reserve	Within 20 km radius	14.71
Habarana Village by Cinnamon	Minneriya National Park, Kaudulla National Park & Ritigala Strict Nature Reserve	Within 20 km radius	3.21
Cinnamon Bey Beruwala	Hikkaduwa Marine National Park	Within ~45 km	5.26
Hikka Tranz by Cinnamon	Hikkaduwa Marine National Park	Within ~0.5 km	1.62
Cinnamon Bentota Beach	Hikkaduwa Marine National Park	Within ~40 km	4.80
Cinnamon Wild Yala	Yala National Park; & Nimalawa Sanctuary	Within ~4 km radius	4.05
	Bundala National Park & Weerawila Sanctuary	Within ~32 km radius	
Trinco Blu by Cinnamon	Pigeon Island Marine National Park	~16 km	5.12
Cinnamon Citadel Kandy	Udawatte Kele Sanctuary	~6 km	1.82
Kandy Myst by Cinnamon	Udawatte Kele Sanctuary	~4 km	2.24
Cinnamon Dhonveli Maldives	Thamburudhoo Thila	~1 km	6.96
Cinnamon Hakuraa Huraa Maldives	Lhazikuraadhi	~1 km	7.65
Ellaidhoo Maldives by Cinnamon	Orimas Thila	~1 km	5.58

While our operations are located outside protected areas, certain properties conduct guided wildlife excursions into national parks and protected landscapes. These activities are carried out by trained naturalists and rely on third party jeep operators licensed by the Department of Wildlife Conservation.

To ensure responsible guest excursions and to minimise any potential impacts on biodiversity, we

- Adhere to all park regulations and passenger capacity limits.
- Enforce safe wildlife viewing distances and prohibit disturbance based behaviours.
- Ensure proper waste management protocols, including removal of all waste generated during excursions.
- Work only with licensed jeep operators and trained naturalists.
- Provide guest briefings on responsible wildlife etiquette.
- Prohibit single use plastics during excursions, encouraging refillable water bottles and other reusable alternatives.

We monitor excursion practices and collaborate with park authorities and local communities to ensure that visitation does not negatively affect wildlife behaviour or ecosystem integrity.

Restoring and preserving natural ecosystems

Safeguarding marine ecosystems

Monitoring marine ecosystems in the Maldives

During 2025/26, our properties in the Maldives undertook a biodiversity assessment as part of ongoing efforts to monitor coral ecosystem health, species diversity and identify emerging threats and focus areas for conservation. Our resorts in the Maldives are located adjacent to some of the country's most exceptional coral reefs. Ellaidhoo Maldives by Cinnamon is home to the Ellaidhoo House Reef, one of the Maldives' best house reefs, while Cinnamon Hakuraa Huraa Maldives is

adjacent to one of the longest stretches of reef in the Maldives. These coral ecosystems are of significant ecological and economic importance to the Maldives, as they form the bedrock of the nation's tourism industry and serve as natural breakwaters, protecting low-lying islands from coastal erosion and rising sea levels. Highlights of the biodiversity assessment conducted in 2025/26 are presented below.

	Cinnamon Dhonveli Maldives	Cinnamon Hakuraa Huraa Maldives	Ellaidhoo Maldives by Cinnamon	Cinnamon Velifushi Maldives
Overall habitat condition	Overall ecosystem health remains strong with expansion in coral patches compared to the 2021 baseline. Highly productive ecosystems were observed in strong current zones (SE and SW reefs). Coral restoration shows promising results using shorter coral frames rather than the taller steel frames.	The island's location in one of Maldives' shallowest lagoons limits natural coral formation. However, new, young coral clusters were observed among sea grass zones while coral patches near the supply jetty had expanded compared to the 2021 baseline. Extensive sea grass expansion which has now reached invasive scale is a key concern as it is suppressing new coral growth in several areas.	Offering the best diving house reef across all our properties, the reef has experienced severe coral bleaching events at shallow depths (0-3m) following the El Niño in 2024. However overall biodiversity remains stable due to deep reef (>5m) protection which was unaffected by the El Niño. A high abundance of fan corals, black corals and anemone were observed at deeper depths.	The house reef remains healthy supporting a rich diversity of fish and coral species. Improved coral growth (including staghorn, fan corals, soft corals and anemone) was recorded compared to the 2021 baseline. A natural congregation of Tawny nurse sharks were also observed. Notably, in-situ coral restoration efforts have been unsuccessful due to algal accumulation. An increase in tree cover was recorded compared to the 2021 baseline.

Species diversity		Cinnamon Dhonveli Maldives	Cinnamon Hakuraa Huraa Maldives	Ellaidhoo Maldives by Cinnamon	Cinnamon Velifushi Maldives
Marine Diversity	Fish species	136	101	153	129
	Coral species	19	14	21	18
	Marine Invertebrates	13	11	10	11
	Shark species	3	2	4	4
	Turtle species	2	2	2	2
	Globally threatened species	13	10	15	11
	Critically endangered (CR)	Hawksbill Turtle	Hawksbill Turtle	Hawksbill Turtle	Hawksbill Turtle
	Endangered (EN)	Three-spot Dascyllus, Spotted Eagle Ray, Grey Reef Shark, Clark's Anemonefish, Green Turtle	Three-spot Dascyllus, Clark's Anemonefish, Green Turtle, Spotted Eagle Ray	Green Turtle, Three-spot Dascyllus, Spotted Eagle Ray, Grey Reef Shark, Clark's Anemonefish, Napoleon Wrasse	Green Turtle, Spotted Eagle Ray, Clark's Anemonefish, Three-spot Dascyllus, Gray Reef Shark
	Vulnerable (VU)	Whitetip Reef Shark, Blacktip Reef Shark, Tawny Nurse Shark, Reef Manta Ray, Green Damselfish	Blacktip Reef Shark, Tawny Nurse Shark, Porcupine Stingray, Reef Manta Ray, Green Damselfish, 2 coral species	Whitetip Reef Shark, Blacktip Reef Shark, Tawny Nurse Shark, Black-blotched Stingray, Porcupine Ray, Reef Manta Ray, Squaretail Coral Groupe	Whitetip Reef Shark, Tawny Nurse Shark, Blacktip Reef Shark, Porcupine Stingray, 4 coral species

Species diversity		Cinnamon Dhonveli Maldives	Cinnamon Hakuraa Huraa Maldives	Ellaidhoo Maldives by Cinnamon	Cinnamon Velifushi Maldives
Terrestrial biodiversity	Plant species	31	33	35	28
	Fruit bats	Healthy fruit bat population	Healthy fruit bat population	Healthy fruit bat population	-
	Bird species	3	5	5	3

Key highlights recorded in the 2025/26 Biodiversity Assessment of our Maldives Properties

Positive observations

- Endangered species continue to thrive across all four islands.
- Improvements in coral growth in the lagoons surrounding Cinnamon Dhonveli Maldives and Cinnamon Velifushi Maldives.
- Young coral recruitment observed in the lagoon surrounding Cinnamon Hakuraa Huraa Maldives despite invasive seagrass proliferation.
- Increased tree cover in Cinnamon Velifushi Maldives supports terrestrial biodiversity.
- Strong scientific capacity given a resident marine biologist and data loggers to monitor water quality parameters.
- Integration of biodiversity awareness and conservation into staff training and guest experiences.

Key threats identified

- Significant bleaching of shallow corals as a result of the 2024 El Niño at Ellaidhoo Maldives by Cinnamon.
- Invasive seagrass proliferation at Cinnamon Hakuraa Huraa Maldives.
- A small population of coral-eating Crown-Of-Thorns Starfish observed at Cinnamon Hakuraa Huraa Maldives.
- Sediment movement given artificial sand pumping in the vicinity of Cinnamon Dhonveli Maldives.

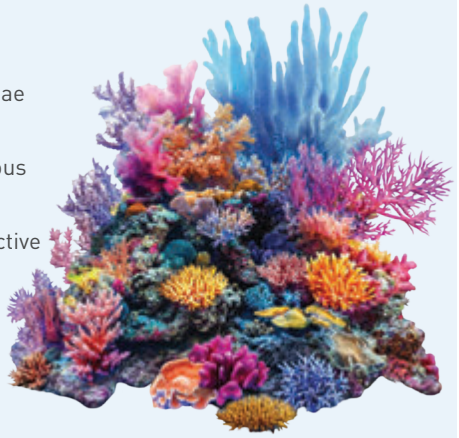
Our response

- Conducted a two-day Crown-of-Thorns Starfish removal programme in Cinnamon Dhonveli Maldives in collaboration with the Dive and Sail Team.
- Sustained commitment to coral reef restoration at Ellaidhoo Maldives by Cinnamon through the coral cube adaptation programme.
- Initiatives to identify new coral restoration sites with better current flows at Cinnamon Velifushi Maldives.

Coral reef restoration

Our impact in Coral restoration project by Cinnamon Bey Beruwala

- **81%** average coral survival rate
- Strong Acropora and Pocillopora growth.
- **18%** decline in macroalgal cover
- Early signs of natural recruitment including the presence of crustose coralline algae on artificial substrates.
- An increase in marine diversity around restored structure, specifically in herbivorous fish species supporting natural algae control and contributing to reef resilience.
- Reinforced community awareness of reef degradation and the importance of collective stewardship.



Coral cube adaptation programme by Ellaidhoo Maldives by Cinnamon

- **11** cubes adopted in 2025/26.
- **331** cubes established since inception in 2023.

Coral restoration project at Cinnamon Bey Beruwala

We partnered with the ProGreen Lab of the University of Moratuwa to restore the coral reef in the vicinity of the property using a scientifically guided methodology. During Phase 1 of the programme, completed in the previous year, we carried out several foundational activities, including water quality measurements, site selection for coral propagation, approvals for coral cultivation, the establishment of coral tanks on the university premises, and the assignment of a researcher for continuous monitoring. Building on these efforts, Phase 2 was initiated in 2025/26, which involved the transplantation of corals at selected sites along the Beruwala Beach.

Coral fragments from resilient species were attached to artificial structures, including metal frames and nylon rope structures, and deployed in identified restoration sites. Deployment was carried out in two phases, enabling a gradual increase in habitat complexity. Coral fragments were monitored weekly for attachment success, health and growth. Additionally, regular sediment and algae removal was performed to provide a more supportive environment for coral growth. We also monitored water quality monthly and quarterly to track key parameters, including temperature, pH, salinity, nutrients, and turbidity. A trial lot system was deployed to collect real-time environmental data and support adaptive management. Reef fish surveys and algal assessments were initiated to evaluate broader ecosystem responses.

We also undertook a social science assessment to understand community perceptions, reef dependence, and the socio-cultural impacts of reef degradation and restoration.

Coral cube adaptation programme – Ellaidhoo Maldives by Cinnamon

Now in its 4th year, this initiative is designed to restore the coral reef within the Ellaidhoo Lagoon. Artificial reef cubes, designed to mimic the structure and function of natural reefs, are constructed using a blend of cement and recycled glass bottles discarded from our bars and restaurants. Thereafter, coral fragments, commonly referred to as coral 'nubbins', are collected typically from broken or stressed corals that are unlikely to survive on their own. The nubbins are then attached to the reef cubes and placed in strategic locations, considering water flow, light exposure, and protection from strong currents, to optimise survival and growth. Over time, these planted reef cubes encourage the development of new coral colonies, which contribute to the overall health of the reef ecosystem by providing habitats for various marine species, including fish, invertebrates, and marine mammals that are essential to the region's biodiversity.

World Reef Awareness Day 2025

Cinnamon Hakuraa Huraa Maldives celebrated Reef Awareness Day by organising a coral restoration initiative to rebuild the coral garden between the Water Bungalows and the Reception area. Together with in-house guests and dedicated colleagues, participants carefully attached live coral fragments to specially designed iron frames and positioned them. The initiative created new habitats for marine life, promoted environmental awareness, and encouraged a shared sense of responsibility for preserving fragile marine ecosystems.

Coral restoration at Cinnamon Dhonveli Maldives

Cinnamon Dhonveli Maldives initiated a coral restoration project to support the recovery of damaged reef areas. Coral fragments from healthy donor colonies and broken coral pieces were collected with the support of the Dive and Sail Team and carefully attached to specially designed metal restoration frames and placed in suitable reef areas. Approximately 30 coral restoration frames were planted in the reef area during 2025/26, contributing to increased habitat complexity for reef organisms and long-term reef resilience.

30

coral restoration frames planted in reef areas in 2025/26.

90%

coral survival rate

Water quality monitoring project

We continued to monitor water quality in the reef areas of our properties in the Maldives to support early detection of anomalies and inform decisions on coral reef conservation and restoration. Data loggers placed, in the 2023/24 FY, at depths of 5 metres and 10 metres capture the vertical profile of water quality parameters, including temperature, conductivity, sound velocity and salinity. The deployment and retrieval of data loggers are carried out scientifically to ensure the consistency, reliability, and comparability of the collected data. Analysis of collected data provides insights into changes in water quality and its impacts on reef health.

The lagoon water quality monitoring programme confirmed that environmental conditions across the four resorts remain within expected ranges for tropical reef ecosystems. Differences in hydrographic behaviour primarily reflect natural variations in lagoon flushing and connectivity with surrounding ocean waters. Continued monitoring will support long term environmental management and provide valuable data for detecting potential changes in lagoon water quality.

Reef clean-up initiatives

Regular reef clean-up activities were conducted at all 4 Maldives properties to maintain healthy house reef ecosystems. These activities focus on removing marine debris and harmful

materials that may damage coral reefs and marine organisms, as well as excess accumulated algae, to support coral health and improve reef resilience.

Sea turtle conservation

Hikka Tranz by Cinnamon supported the Sri Lanka Coast Guard's turtle conservation efforts by providing equipment to safeguard turtle nests. The efforts of the Coast Guard have helped protect 7,150 turtle eggs and release 5,748 turtle hatchlings.

Fostering marine conservation awareness

Fostering a deeper appreciation for our marine ecosystems and their critical role in ecological balance forms a key component of our biodiversity conservation efforts. Accordingly, we organised several programmes across our properties to raise awareness among guests, colleagues and the broader community.



>1,000

students inspired and impacted in 2025/26.

Cinnamon Hakuraa Huraa Maldives initiated The Ocean Sprout Marine Biology Awareness Programme in 2025/26 to inspire youth in pursuing careers in marine conservation. Over 1,000 students from four schools in the surrounding islands participated in interactive sessions tailored for different age groups. The programme was conducted by the resident marine biologist and colleagues at Cinnamon Hakuraa Huraa Maldives.

Property	Conservation awareness initiatives
Cinnamon Hakuraa Huraa Maldives	• An awareness programme was organised for guests and colleagues to highlight the importance of turtle conservation, given the vital role they play in marine ecosystems.
Ellaidhoo Maldives by Cinnamon	• On World Sea Turtle Day, - We released an engaging animated video focused on sea turtle conservation on our official website and social media platforms to raise awareness and engagement. - Our in-house marine biologist delivered an insightful presentation to guests about the challenges facing the sea turtle population and how they can contribute to their protection. - Additionally, we set up an informative display showcasing the inspiring story of 'Tripod,' a sea turtle born with three fins, along with related conservation efforts. We also offered a variety of souvenirs for sale, including sea turtle-themed t-shirts and jewellery, with all proceeds directed toward ongoing conservation initiatives. - On World Tourism Day, we conducted a sea turtle awareness programme for colleagues. Approximately 100 colleagues participated in this event. • Our Marine Biodiversity Unit, led by the resident marine biologist, continued to serve as a learning hub for guests, colleagues and local communities. Key initiatives conducted in 2025/26 included, • Daily discussions on a range of topics, including coral biology and morphology, marine life such as sea turtles, reef fish and marine mammals, plastic pollution in our oceans and night snorkelling. • Special talks on the ecology and behaviour of marine life living in the house reef. • Fish identification checklists to support guests' underwater exploration. • Marine biodiversity snorkelling tours, artificial reef tours and artificial reef cleanup programmes. • Guidebooks for marine fish, coral and invertebrate identification. • Monitor the marine biodiversity surrounding the resort. • We organised weekly programmes to provide guests with insights into reef ecology, species diversity and the importance of conservation. • We also conducted biodiversity snorkelling programmes for guests, which involved guided snorkelling experiences where guests were introduced to the rich marine life of the house reef.
Cinnamon Dhonveli Maldives	• On World Reef Awareness Day 2025, we organised an awareness programme which included, • Educational discussion on coral reef ecosystems and their ecological importance. • Information sharing on current threats to coral reefs such as climate change, coral bleaching and pollution. • Promotion of responsible snorkelling and diving practices to protect reef habitats.

Cinnamon Rainforest Restoration Project



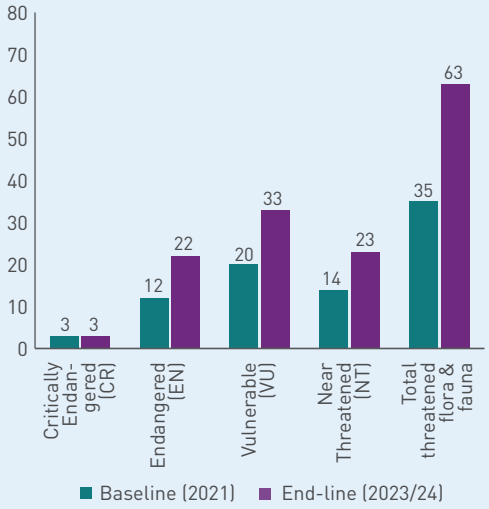
Project highlights

2,343
trees planted in 2025/26.

25,140
native trees planted since inception

85 - 90%
survival rate of native trees planted in 2025/26.

Change in Flora & Fauna at the site



The Cinnamon Rainforest Project was initiated in December 2021 in partnership with the Forest Department and Ruk Rakaganno to reforest a 59-acre degraded site in Suduwelipotha, in Sri Lanka's wet zone, and to promote plant and animal diversity, with particular emphasis on endemic and threatened species.

We utilised a science-led Assisted Natural Regeneration (ANR) approach to restore forest cover at the selected site, which had historically been altered for exotic Pinus plantations and subsequently overtaken by invasive species. This approach involved

- Removing invasive species that choke native plant growth.
- Allowing dormant seedbanks to germinate and sprout pioneer shrub species.
- Planting native climax and early secondary species to catalyse succession.
- Monitoring ecological progression using scientific benchmarks.

Over 70 species of native flora, comprising pioneer and secondary species, have been introduced to the site over the last 4 years, significantly increasing ecological complexity and providing food and shelter for birds and other wildlife. In June 2024, an independent ecological assessment was conducted to track recovery against the baseline assessment conducted at inception. The next assessment is planned for the end of 2026.

Positive impacts of the project

- Rapid growth of pioneer trees which has helped suppress invasive species growth while providing shade, thereby supporting plant growth.
- 36 new flowering plants recorded indicating effective plant succession and management of invasive species.
- An increase in shrub and herb diversity providing a clear indication of effective plant succession.
- An increase in invertebrate diversity (dragonflies and butterflies) providing a clear sign of positive improvement as invertebrates are the first colonisers of improved habitats.
- Successful introduction and proliferation of Pini Beraliya *(Doona ovalifolia)*, an endemic tree listed as extinct in the wild in 2020 by the IUCN.

Cinnamon has actively engaged local communities and volunteers to support the successful implementation of this project.

Local community engagement

Local families were employed

- To set up community plant nurseries which supplied thousands of native saplings for the project.
- For land preparation, weeding, planting and monitoring.

We in turn provided them with training in invasive species control and native plant care.

15
Local families

1,025
Volunteers

Wildlife conservation awareness

To promote responsible interactions with wildlife in their natural habitats, our properties organised several awareness programmes in 2025/26.

>200
Participants in conservation awareness programmes

Elephant conservation

On World Elephant Day, Cinnamon Wild Yala organised an elephant conservation awareness programme for nearly 60 guests and colleagues. The session was facilitated by the Manager, Field Operations at Cinnamon Wild Yala, and focused on elephant behaviour, safety practices, conservation efforts, and human–elephant coexistence. The programme aimed to improve awareness of elephant movement patterns in the Yala region and encourage responsible behaviour to reduce human–elephant conflict.

Crocodile conservation

We marked World Crocodile Day 2025 with an engaging and educational awareness programme for 50 guests and colleagues, reinforcing the importance of crocodile conservation and safety. The programme was conducted by the lead Naturalist at Cinnamon Nature Trails, and included an informative session on crocodile behaviour, safety guidelines, and ecological significance, followed by a guided night lake visit, allowing guests to observe crocodiles responsibly in their natural habitat.

Snake conservation

Cinnamon Wild Yala organised a World Snake Day awareness programme for 100 students from the Magama School, for guests and colleagues. The session was led by Mr. Vishal Pushpamal, a recognised snake expert in Sri Lanka. The programme provided comprehensive awareness on all snake species found in Sri Lanka, with special focus on endemic and southern-region–specific snakes. Participants were educated on snake identification, venomous and non-venomous species, snake behaviour, habitat awareness, and first-response measures in case of encounters or bites.

Cinnamon Bentota Beach organised a snake awareness session for guests and colleagues. The programme was conducted by a renowned herpetologist, wildlife photographer, and instructor at the Young Zoologists Association, based at the National Zoological Gardens in Dehiwala. The session offered insights into the various snake species found in Sri Lanka, practical guidance on preventing snake encounters and attacks, and detailed instructions on safely removing and rescuing snakes.

Tree planting

Properties across Cinnamon organised several tree planting initiatives in line with its focus on increasing forest cover.

845
Trees planted in 2025/26

Tree planting initiatives - Sri Lanka

Kandy Myst by Cinnamon

- Donated 100 trees to the Kandy Municipal Council.
- Participated in the community tree planting campaign conducted in the Katugastota area, which involved tree planting along the Mahaweli river bank.

Cinnamon Wild Yala

- Planted 50 saplings within the hotel premises and the Yala National Park buffer zone, contributing to habitat enrichment, biodiversity conservation and long-term environmental sustainability.

Cinnamon Lodge Habarana and Habarana Village by Cinnamon

- Facilitated the planting of approximately 70 Kumbuk saplings through 'Rooted for Earth' a guest engagement initiative conducted on International Earth Day. Upon successful rooting, the saplings will be planted in a degraded forest area in the Minneriya Eco Park, Habarana

Tree planting initiatives - Maldives

Cinnamon Dhonveli Maldives

- Launched an initiative to plant 1,000 jackfruit plants in the neighbouring islands. Jackfruit was selected given its nutritional value to the resident communities. During phase 1, we planted 425 plants on Huraa Island, and during phase 2, we planted 75 plants around the hotel.

Cinnamon Velifushi Maldives

- Planted over 50 trees, including teak, with the participation of our colleagues and guests, in collaboration with the Ministry of Tourism and Environment under the national 5 Million Trees Project.

Annual field training

The Cinnamon Nature Trails team participated in field training at Horton Plains National Park to deepen their understanding of the park's biodiversity and enhance their photography and storytelling skills. As part of the programme, the team witnessed the mass blooming of Nelu flowers, a rare natural phenomenon that occurs only once every 12 years.



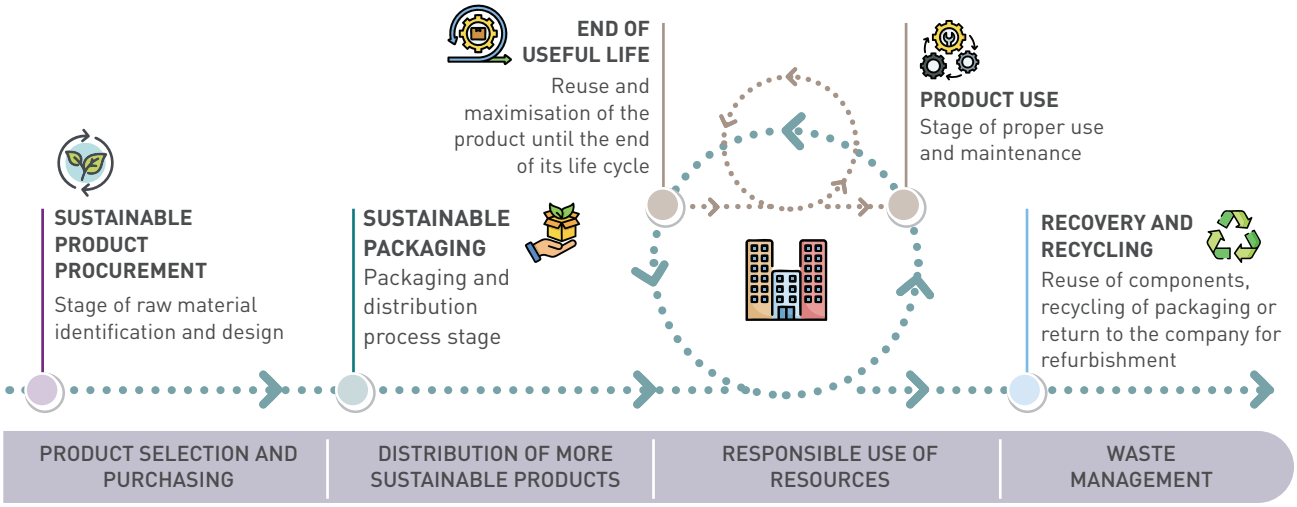
RESOURCE USE AND CIRCULAR ECONOMY

The circular economy has the potential to address global issues like climate change, biodiversity loss, and pollution. Currently, the economy relies on a system of extraction, production, and waste, with much of this waste ending in landfills. Adopting a circular economy can optimise resource use and lessen environmental impacts by encouraging the durability and reuse of materials. The hotel industry faces risks due to high waste levels and mounting pressure to shift to circular models.

Globally, the sector accounts for one-third of food waste, according to the UNEP (United Nations Environment Programme). This not only raises operational costs but also risks regulatory penalties and damage to reputation, especially in markets where travellers disapprove of unsustainable practices.

The circular economy now plays a crucial role in our sustainability strategy. Building on this, the Company has identified new opportunities to support the future integration of circular economy practices across its hotel portfolio.

Circular economy



Reducing single-use guest-facing plastic consumption

We remain committed to reducing single-use guest-facing plastic consumption across our operations in Sri Lanka and the Maldives. Accordingly, we have implemented



Check-in

Cloth wristbands



Food & beverage

- Ramekins for butter and ketchup
- Glass jars for jam
- Wooden cutlery



Guest amenities

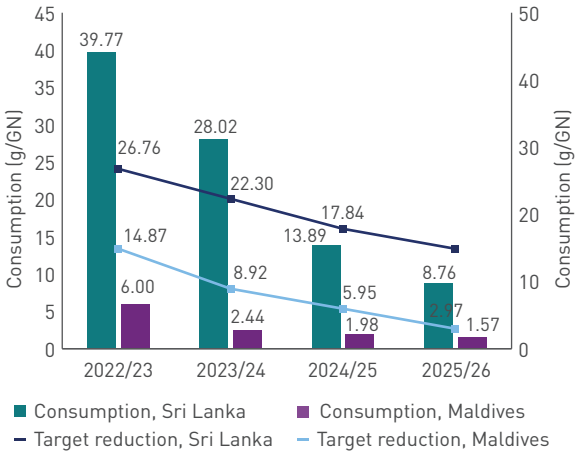
- Wooden combs
- Wooden razors
- Bio-based shower caps
- Rice husk toothbrushes
- Ceramic pump bottles



Water

- Glass containers for water
- Aluminium water flagons
- Water filling stations
- Customised aluminium water bottles in the Maldives

Trends in Single Use Guest-Facing Plastic Consumption



Additional measures implemented during 2025/26 include,

- Converted plastic toothpaste and shaving foam tubes to a paper-based container
- Replaced PET water bottles in guest food takeaway packs with sustainable beverage containers.

Given the significant impact of Cyclone Ditwah on some of our glass bottle suppliers, we were compelled to temporarily utilise PET-based water and beverage bottles at certain properties in Sri Lanka. However, we remain committed to reverting to glass bottles as soon as supply is restored.

Overall, efforts to reduce plastic consumption in 2025/26 reduced our annual plastic consumption by 37.55 MT, a 69% reduction compared to the guest-facing plastic consumed in our base year of 2021/22.

Supporting the development of sustainable alternatives to plastic

Through our collaboration with Plasticycle, we continued to support two emerging entrepreneurs specialising in eco-friendly alternatives to single-use plastic products in the hospitality industry. These emerging entrepreneurs are focused on developing a compostable alternative to plastic cling wrap derived from seaweed and a compostable replacement for plastic bento boxes from compressed banana fibres. Both suppliers have successfully developed prototype products, which are undergoing testing to ensure alignment with hospitality industry standards. We are committed to supporting these entrepreneurs through technical expertise and guidance, and intend to integrate these alternatives into our hotel operations.

Diriyata Athwalak programme

Through this initiative, Cinnamon Lodge Habarana and Habarana Village by Cinnamon, in partnership with the Palugaswewa Divisional Secretariat, continue to empower local women by promoting the upcycling of discarded plastic. As part of this programme, over 40 women participated in a sustainability workshop led by the Kandy Municipal Council to acquire skills to upcycle discarded plastic into creative home décor. Moreover, 3–4 female entrepreneurs were provided

a dedicated space every two weeks at Habarana Village by Cinnamon to showcase and sell their products, enabling inclusive community development.

Good water project

The strategic placement of three ocean strainers near Hikka Tranz by Cinnamon, Cinnamon Benthota Beach and Cinnamon Bey Beruwala in 2023 has considerably reduced the flow of plastic waste into the ocean, as reflected in a notable decline in ocean debris washing ashore at our properties. As a result, daily beach cleaning efforts at these properties have decreased from three times a day to once a day. This project was implemented in collaboration with the John Keells Centre Sustainability Team, MAS Foundation for Change and the Irrigation Department of Sri Lanka.

1,521.39kg
plastic waste collected from the strainers in 2025/26

3,813.09kg
plastic waste collected from the strainers since inception in 2023

Beach clean-up initiatives

Our properties organised numerous clean-up initiatives to keep our beaches clean and reduce the amount of plastic debris washed into our oceans from inland canals. Engaging local communities and guests in these initiatives also fostered broader dialogue on plastic waste reduction and coastal preservation.

	Property	Clean-up initiatives	Waste collected
Sri Lanka	Hikka Tranz by Cinnamon	• 3 beach clean-ups	83 kg of plastic, 71 kgs of glass and 2,550 kg of mixed/garden waste.
	Trinco Blu by Cinnamon	• Coastal care initiative	
	Cinnamon Bentota Beach	• Beach clean-up	
	Cinnamon Citadel Kandy	• Clean-up activities along the banks of the Mahaweli River.	115kg of waste collected, including 50kg of polythene and 65kg of plastic waste.
	Cinnamon Wild Yala	• Beach clean up • Yala National Park entrance clean-up	80 kg of waste was collected as polythene, PET bottles, metal and glass, and handed over to the local authorised waste collector for recycling.
The Maldives	Ellaidhoo Maldives by Cinnamon	• Reef clean-up, including the removal of ghost nets and small fishing nets entangled in the reef.	
	Cinnamon Hakuraa Huraa Maldives	• Beach clean-up on own island • Beach clean-up on Muli Island • Clean-up of the coral island and surrounding sand banks.	A total of 384kg of waste was collected.
	Cinnamon Velifushi Maldives	• Reef clean-up campaign on Holhidhoo Island • Beach cleanup at Felidhoo Island.	A total of 525kg of waste was collected.

Waste

Conscious efforts in recent years to manage our waste responsibly have enabled the diversion of over 90% of waste generated through our operations from landfills.

All waste generated through our operations is segregated into hazardous and non-hazardous waste at dedicated waste segregation centres at each property. Non-hazardous waste, which accounts for over 90% of waste, is further segregated and categorised to facilitate category-specific disposal. All types of waste are disposed of through appropriate waste collectors in compliance with all applicable laws and regulations. We conduct regular audits of waste collectors through on-site visits to ensure the sustainable and safe management and disposal of waste. All our properties in the Maldives are equipped with food digesters to dehydrate food waste, a baling machine to compress scrap metal, and an incinerator and a glass crusher, as required by law for responsible waste management.

Organic waste management initiatives

In the 2025/26 period, Cinnamon Benthota Beach established an on-site composting facility to process garden waste including woodchips. The compost packed in biodegradable fertilizer bags. These bags were distributed to guests and selected beneficiaries within the local community, promoting home gardening and contributing to food security. Approximately 15 tons of garden waste are composted each month, with the resulting compost used for landscaping and gardening within the hotel premises. Additionally, 100 kg of compost was donated to the Benthota Police Station for landscaping purposes.

Meanwhile, Cinnamon Lodge Habarana has optimised its longstanding composting facility to produce high-quality organic compost for agricultural use. Garden waste collected from both Cinnamon Lodge Habarana and Habarana Village by Cinnamon is composted in this facility. It is mixed with optimal amounts of animal manure from the in-house farm to ensure precise moisture and nutrient levels. Since our gardens do not use chemical fertilisers and are not exposed to agricultural runoff, the presence of heavy metals in the compost is minimal.

Below are the main types of waste and the strategies implemented to divert them from landfills.

Types of waste	Disposal mechanism
Non-hazardous waste	
Food waste	• Food waste from all Sri Lankan resorts is diverted as animal feed to piggeries. • Food waste from all Maldivian resorts is converted into a very dry powder form using state-of-the-art food digesters that reduce the volume of waste directed to landfills. This resource also has the potential to enrich soil fertility, thereby enhancing agricultural yields.
Waste oil	• Waste oil generated from all Sri Lankan resorts are collected by an authorised third party and processed into biodiesel. • We are presently evaluating an authorised third party in the Maldives for this purpose.
Broken glass and glass bottles	• Collected by authorised third parties for recycling.
Ceramic waste	• Recycled by using it in reef cube construction to support coral restoration in the Maldives. • In Sri Lanka, it is mixed with cement and used as pavement blocks where possible.
Garden waste	• On-site composting facilities support the composting of garden waste at 3 properties in Sri Lanka.
Other recyclable waste	• Following meticulous segregation at properties, recyclable waste is collected by authorised third-party waste collectors for recycling.
Non-recyclable waste	• Comprising primarily soiled waste from the kitchens and unsegregated waste from guest rooms, which presently have no alternative disposal methods, non-recyclable waste is collected by authorised third parties who comply with all relevant waste-related laws and regulations for responsible disposal. We monitor regulatory compliance and responsible waste disposal through regular on-site audits and supply chain assessment.
Hazardous waste	
Hazardous waste	• Disposed of through authorised waste collectors who comply with all laws and regulations. Sustainable disposal is ensured through supply chain assessments.

Creating shared value through responsible waste practices

'Hikka Batiks' at Hikka Tranz by Cinnamon

A group of artisans upcycle discarded bed linen into tote bags, bed runners, bed sheets, pillow cases and more, which are bought back by Cinnamon to gift to long-stay guests and for in-house use.





'From broken to beautiful' by Ellaidhoo Maldives by Cinnamon

The fabric from broken umbrellas was upcycled into beach bags by a group of artisans, who then made them available for purchase to guests.

Funds earned from the sale of beach bags are utilised to purchase reusable aluminium water bottles, which are donated to schoolchildren on remote islands. These efforts were complemented by awareness programmes on the adverse effects of single-use plastic. We donated 250 bottles to students studying at Himandhoo School in 2025/26.



Food waste reduction initiatives

- We remain committed to reducing the amount of food waste generated by our restaurants and staff cafeterias. These efforts include.
- Food waste mapping to identify sources and locations of food waste and to streamline accurate measurement processes.
- A partnership with the University of Peradeniya to strengthen food waste data collection and support the implementation of targeted reduction strategies.
- Analysis of published studies on food waste to understand edible and inedible parts of food, avoidable and unavoidable waste, and their relationship to the quantity of food waste generated.
- Reducing fruit peels, which account for a greater portion of food waste.
- Zero-waste days in the staff cafeterias.

Waste management	Units Male	2025/26	2024/25	Annual % change
Total waste generated	Mt	1,692.50	1,949.71	(13.2)
Non-hazardous waste	Mt	1,669.41	1,927.09	(13.4)
Hazardous waste	Mt	23.08	22.62	2.1
Non-hazardous waste				
Reuse	Mt	884.85	1,060.65	(16.6)
Recycling	Mt	105.25	150.68	(30.2)
Composting	Mt	343.30	438.14	(21.6)
Recovery	Mt	15.27	9.77	56.4
Incineration	Mt	12.62	153.53	(91.8)
Landfill	Mt	320.75	114.33	180.5
Hazardous waste				
Reuse	Mt	7.04	-	-
Recycling	Mt	2.07	7.20	(71.3)
Landfill	Mt	-	15.42	(100)
Recovery	Mt	13.97	-	-
Total waste disposed	Mt	1,692.50	1,949.71	(13.2)
Intensity	kg/GN	0.97	1.25	(22.5)

CLIMATE CHANGE

Globally, climate change is reshaping economic, social and environmental dynamics, with the hotel sector occupying a particularly vulnerable yet strategic position. Rising average temperatures, more frequent extreme weather events and ecosystem disruptions are creating operational, economic and strategic challenges for the sector. These challenges directly affect the operations and viability of many establishments, especially those in coastal or island tourist destinations.

In response to these challenges, the hotel sector also plays a key role in mitigating climate change. According to the World Travel & Tourism Council (WTTC), the travel and tourism sector accounts for approximately 7.3% of global greenhouse gas emissions, with accommodation contributing a significant share mainly due to energy consumption for heating, cooling, lighting and service provision.

Climate change has caused various impacts, including increased exposure to extreme temperatures, floods, and storms for employees and guests, creating health risks due to inadequate infrastructure adaptation. It also causes environmental harm through greenhouse gas emissions across all scopes, fuelling global warming. Additionally, insurance premiums are rising worldwide as destinations become more vulnerable to weather events. A major concern is the increasing cost of non-renewable energy, which could directly raise operational expenses.

On the other hand, opportunities such as the transition to renewable energy could help reduce operating costs.

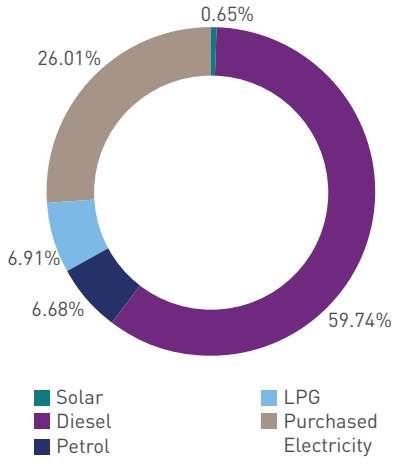
Impacts on climate change

The identified impacts are directly related to greenhouse gas (GHG) emissions. The main sources of GHG emissions are linked to the consumption of non-renewable energy in both owned and leased hotel assets (Scopes 1 and 2). This situation is due to a business model characterised by high intensity in real estate assets and a strong dependence on strategic suppliers, which significantly influences the Company's emissions profile and environmental performance.

Sustainability-related and Climate-related risks and opportunity management

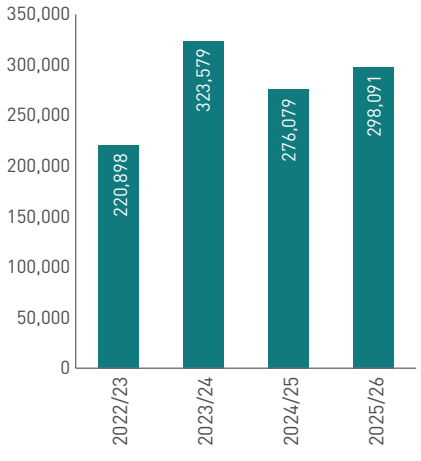
Risk type	Risk description	Time	Disposal mechanism
Climate- related risk (Refer to page 320 in SLFRS 1 and SLFRS 2 disclosures)	**Physical – Acute risk: Acute weather disruption risk** Increasing frequency and severity of climate-related natural hazards such as flooding, heavy rainfall, storm surges, and strong winds may disrupt business operations, damage company-owned and leased properties, impair access to critical utilities, and impact service continuity. These events may also disrupt supply chains and logistics networks, affecting the availability of critical goods, services, and inputs required for operations. These risks may be heightened when infrastructure lacks adequate climate-resilient design, structural reinforcement, or disaster-preparedness measures.	Short to long-term	Own operation and upstream activities
Climate-related risk (Refer to page 322 in SLFRS 1 and SLFRS 2 disclosures)	**Energy costs and transition risks** Rising temperatures will escalate cooling demand, driving up operating costs. Energy risks are compounded by volatile tariffs, grid instability, and efficiency gaps. Together, these pressures increase financial exposure and elevate Scope 1, 2 emissions, intensifying both cost and transition risks.	Short to long-term	Own operation
Climate - related opportunity (Refer to page 328 in SLFRS 1 and SLFRS 2 disclosures)	**Renewable energy opportunity** Leverage energy management, expand renewable energy adoption, and accelerate Scope 1 & 2 decarbonisation initiatives to significantly lower energy costs, stabilise operating margins, and enhance long-term competitiveness through a lower-carbon operating model.	Short to long-term	Own operation

Energy mix



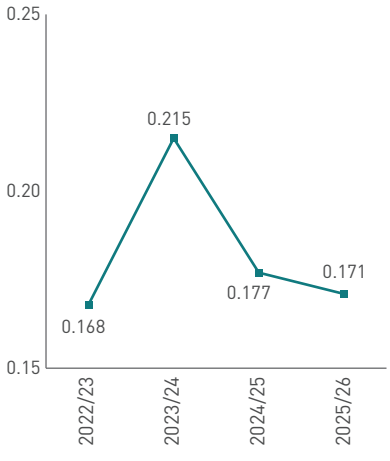
We rely primarily on electricity for our energy needs. Renewable energy accounted for **0.65%** of our total energy requirement in 2025/26

Total energy consumption (GJ)



Total energy consumed increased by **7.97%** due to the inclusion of Kandy Myst by Cinnamon in our portfolio.

Energy intensity (GJ/GN)



Energy intensity reduced by **3.62%**.

To meet GHG emission reduction targets and climate change mitigation efforts, the following decarbonisation strategies have been identified:

- **Lever 1: Enhancing energy efficiency**

Optimising energy use is essential for reducing carbon emissions by decreasing energy demand for hotel operations, reducing dependence on fossil fuels, and lowering carbon intensity. This includes implementing environmental management systems, monitoring and control, incorporating sustainability criteria into new constructions and major renovations every three years, and using artificial intelligence in facilities and chillers, among other measures.

- **Lever 2: Transitioning to renewable energy sources.**

This approach encourages the adoption of renewable energy options such as solar, which generate electricity without greenhouse gas emissions and significantly reduce emissions during operation.

- **Lever 3: Raising awareness and engaging stakeholders throughout the value chain.**

Addressing Scope 3 emissions is a major challenge in tackling climate change, partly due to the many stakeholders involved. It is vital to involve customers and key players in the value chain. In the business model.

During the year under review, our properties in Sri Lanka and the Maldives implemented the following initiatives to improve their energy footprint.

Sri Lanka

- We collaborated with Octave, the John Keells Group Data and Advanced Analytics Centre of Excellence, to leverage advanced data analytics to enhance energy efficiency across our operations.
- Building on the success of the pilot initiative conducted at Cinnamon Bentota Beach during April – July of 2025, this initiative was progressively extended to Hikka Tranz by Cinnamon and Cinnamon Bey Beruwala during the year under review.
- Through the deployment of customised algorithms aimed at optimising the HVAC systems, Cinnamon Bentota Beach achieved a 38 MWh (10%) reduction in HVAC energy consumption using 24/25 as the base year, resulting in an overall reduction of approximately 56 MWh (4.2%) in total energy usage.

The Maldives

- Energy management initiatives were carefully designed to balance energy efficiency with guest comfort and service quality across diverse resort environments. Key initiatives implemented in 2025/26 included,
  - Energy efficient lighting across guest areas, staff facilities, gardens, pathways and recreational spaces.
  - Guest room temperature setpoints were standardised and actively managed in line with efficiency benchmarks, including calibrated temperature controls during cleaning cycles and guest arrivals.
  - Operational improvements in laundry and kitchen services through equipment usage optimisation and load management.
  - Targeted controls to minimise avoidable energy demand.
  - Enhanced ventilation and airflow management in selected operational zones to support more stable and efficient system performance.

Cinnamon Dhonveli Maldives	Ellaidhoo Maldives by Cinnamon	Cinnamon Velifushi Maldives
Improvements to powerhouse ventilation and airflow management to enhance system efficiency and support improved temperature regulation across core energy systems.	Servicing and optimisation of the solar power system resulted in an estimated 17% improvement in solar power generation.	Approximately 20 garden lighting units were replaced with solar-powered alternatives.

Our energy footprint in 2025/26 is presented below.

	Units	2025/26	2024/25	Annual % Change
Non-renewable sources				
Purchased electricity	GJ	77,523.25	64,385.23	20.41
LPG	GJ	20,600.29	15,937.73	29.25
Diesel	GJ	178,077.05	174,606.16	1.99
Petrol	GJ	19,909.49	19,454.74	2.34
Kerosene	GJ	28.90	34.17	(15.43)
Renewable sources				
Solar power	GJ	1,952.28	1,695.52	15.14
Total energy consumed	GJ	298,091.26	276,079.38	7.97
Total energy from grid electricity	GJ	77,523.25	64,385.23	20.41
Total energy from renewable sources	GJ	1,952.28	1,695.52	15.14
Energy intensity	GJ/GN	0.17	0.18	(3.62)

Emissions

We compute greenhouse gas emissions in line with ISO 14064-1:2018 and the Greenhouse Gas Protocol, ensuring alignment with internationally recognised standards. Greenhouse gas emissions from all properties in Sri Lanka and the Maldives, as well as administrative locations, are considered in this assessment. The Group has also obtained independent verification of its emissions from the Sri Lanka Climate Fund since 2024/25. The Group measures its greenhouse gas emissions as follows,

- Scope 1 (Direct Emissions) – Comprises emissions from energy generated within premises, such as stationary emissions from fuel combustion for generators, boilers, combustion of charcoal and fuel gels, the usage of certain chemicals in kitchen operations, mobile emissions from vehicle fleets, along with refrigerant leaks and other fugitive emissions.
- Scope 2 (Indirect Emissions from Energy Use) – Covers electricity purchased from the national grid, calculated using country-specific emission factors.
- Scope 3 (Other Indirect Emissions) – Includes emissions from business travel, employee commuting, supplier transportation, waste disposal, and other operational activities.

Following the guidelines specified by the Sustainable Hospitality Alliance, guest travel was excluded from the boundary as we have no control or influence over this activity. Guest travel is included only if that travel was organised by any of our properties.

GHG emissions inventory	
Scope 1	Includes emissions from energy generated within the premises. • Emissions from fuel combustion for generators and boilers • Mobile emissions from lawn mowers. • Combustion of charcoal and fuel gels. • The usage of certain chemicals in kitchen operations. • Vehicle fleet fuel consumption. • Refrigerant leaks and other fugitive emissions.
Scope 2	• Emissions generated from purchased electricity.
Scope 3	Includes emissions from • Business travel • Employee commuting • Supplier transportation • Waste management • Other operational activities.

During the previous engagement with the Sri Lanka Climate Fund, we analysed and verified the emissions for the 2023/24 financial year, which is also our base year for emissions. This time, to avoid a gap, we completed the analysis and verification for both the 2024/25 and the 2025/26 financial years. All calculations were conducted with IPCC 2006 and country specific emission sources, where applicable.

During 2025/26, we conducted a deeper analysis of our Scope 3 emissions to understand their sources, the weight of contribution, and other applicable metrics for each source. This has opened internal discussions about the necessary strategic decisions needed to continue our journey towards reducing our carbon footprint. We also introduced additional metrics into our supplier impact assessment to assess our suppliers' commitments to reducing their environmental impacts and to understand how we can support them in their emissions-reduction journey.

Energy use, transportation and waste disposal are the key contributors to our carbon footprint. Accordingly, we have developed a roadmap for emissions reduction that prioritises energy efficiency, the adoption of renewable energy, and circular economy principles. Our emissions inventory serves as the new baseline for our future efforts, guiding continuous improvement and fostering transparency with our stakeholders. We remain committed to shaping a climate-resilient hospitality industry that delivers world-class experiences while preserving the environment.

During the year under review, our carbon footprint increased by 7% (Scope 1 & 2), primarily due to the inclusion of Kandy Myst by Cinnamon within the assessment boundary and an overall increase in grid electricity consumption. Emissions of ozone-depleting substances (ODS), Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions were negligible during the year under review.

Our carbon footprint	2024/25			
	Total	CO_2	CH_4	N_2O
Scope 1 (Direct) emissions (tCO_2e)	19,858.28	19,725.93	69.63	62.71
Scope 2 (Indirect) emissions (tCO_2e)	7,836.74	7,836.74	-	-
Scope 3 emissions (tCO_2e)	7,814.36	7,814.36	-	-
Total emissions (tCO_2e)	35,509.37	35,377.03	69.63	62.71
Emission intensity ($kgCO_2e$/GN)	22.83			

Our carbon footprint	2025/26			
	Total	CO_2	CH_4	N_2O
Scope 1 (Direct) emissions (tCO_2e)	20,223.81	20,088.56	72.32	62.93
Scope 2 (Indirect) emissions (tCO_2e)	9,614.13	9,614.13	-	-
Scope 3 emissions (tCO_2e)	8,237.00	8,237.00	-	-
Total emissions (tCO_2e)	38,074.94	37,939.69	72.32	62.93
Emission intensity ($kgCO_2e$/GN)	21.85			

SCOPE 1 & SCOPE 2 ENERGY CONSUMPTION & EMISSION SOURCES

Energy consumption	Unit	Activities in scope	Measurement method	Emission factor source
SCOPE 2 — INDIRECT ENERGY				
Grid electricity consumption	kWh	Operational electricity supply across all properties	Monthly utility bills from the Ceylon Electricity Board and Lanka Electricity Company (Private) Limited	Sri Lanka Energy Balance (2023)
SCOPE 1 — DIRECT: STATIONARY COMBUSTION				
Generator — diesel	L	Standby power generation during grid outages at all properties	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - stationary combustion
LPG consumption	kg	Fuel for cooking in hotel and staff kitchens and for steam generation used in onsite laundry facilities	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - stationary combustion
Kerosene	L	Supplementary fuel for heating and lighting at select resort properties	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - stationary combustion
Charcoal	kg	Outdoor grilling and barbecue food preparation at resort properties	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - stationary combustion
Fire gel (fuel gel)	kg	Chafing dish and buffet food-warming fuel across food and beverage operations	Purchase and stock inventory records	Mass balance approach - CO_2 derived from combustion of unit fuel (kg); no published IPCC factor available

Energy consumption	Unit	Activities in scope	Measurement method	Emission factor source
Baking soda (sodium bicarbonate)	kg	Leavening agent used in bakery operations; releases CO_2 during baking via thermal decomposition	Purchase and stock inventory records	Mass balance approach - CO_2 derived from thermal decomposition of sodium bicarbonate; no published IPCC factor available
Acetylene	kg	Fuel gas for onsite gas welding and maintenance operations	Purchase and stock inventory records	Mass balance approach - CO_2 derived from combustion of unit fuel (kg); no published IPCC factor available
Blowtorch (propane / butane)	kg	Culinary finishing and kitchen preparation at food and beverage outlets	Purchase records with canister weights	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - stationary combustion (LPG factors applied)
SCOPE 1 — DIRECT: MOBILE COMBUSTION				
Machinery diesel	L	Diesel fuel for grounds maintenance equipment including lawnmowers and other outdoor machinery	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - mobile combustion
Machinery petrol	L	Petrol fuel for grounds maintenance equipment and small machinery across resort properties	Purchase and stock inventory records	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 - mobile combustion
Company owned vehicles	L	Fuel consumption from diesel and petrol vehicles owned and operated by the organisation for hotel operations, guest transfers, and administrative travel across all properties	Fuel re-filling purchase records maintained per vehicle	2006 IPCC Guidelines for National GHG Inventories, Vol. 2 — mobile combustion; BEIS/ DEFRA (2025)
SCOPE 1 — DIRECT: FUGITIVE EMISSIONS				
Refrigerant gases	kg	Refrigerant losses from air conditioning and refrigeration equipment across all properties	Stock inventory and purchase records for refrigerant refills	Global Warming Potential values from IPCC Sixth Assessment Report (AR6, 2021); blended refrigerant proportions from US EPA GHG Inventory (2014)
CO_2 Fire extinguishers	kg	CO_2 released from discharged or replaced fire extinguisher units during the reporting period	Purchase records for replaced CO_2 fire extinguisher units; where data was unavailable, prior year figures were applied	Direct CO_2 release; GWP = 1; IPCC AR6
CO_2 Canisters for Beer Kegs	L	CO_2 gas used to pressurise draught beer dispensing systems at food and beverage outlets; 0.2 kg CO_2 per 30-litre keg applied as the general rule; CO_2 canisters for soft drink carbonation at three Maldives properties included separately	Beer volume consumption records; direct CO_2 canister consumption records where available (Maldives properties)	Direct CO_2 release; GWP = 1; IPCC AR6

Energy consumption	Unit	Activities in scope	Measurement method	Emission factor source
Wastewater treatment	m^3	Fugitive CH_4 and CO_2 emissions from onsite biological wastewater treatment plants at seven Sri Lankan resort properties and four Maldives properties; properties connected to municipal treatment facilities are excluded	80/20 rule applied: 80% of water withdrawn assumed to be discharged as wastewater; water withdrawal data from utility bills; BOD and COD parameters sourced from hotel-sector specific research	Research Triangle Institute (2010) wastewater treatment calculation model; BOD and COD values from Armus et al. (2023) - hotel wastewater specific; 2006 IPCC Guidelines, Vol. 5 — wastewater treatment and discharge

Note: This table is prepared in accordance with ISO 14064-1:2018 and the GHG Protocol Corporate Accounting and Reporting Standard, consistent with SLFRS S2 disclosure requirements

Scope 3 - Upstream Categories

Category	Emissions (tCO_2e)	Activities in scope	Measurement method	Emission factor source
Category 1 – Purchased goods & services	48.41	Indirect emissions from freshwater purchased from the National Water Supply and Drainage Board (NWSDB) for operational use across all properties	Monthly utility bills from the NWSDB	Emission factor published by the NWSDB
Category 3 – Fuel & energy related activities	1,009.18	Indirect emissions from electricity transmission and distribution losses proportionate to the organisation's grid electricity consumption	Monthly electricity utility bills; T&D loss percentage applied to total grid consumption	Ceylon Electricity Board - Transmission System Performance Report (2023)
Category 4 – Upstream transportation & distribution	6,440.50	Indirect emissions from transportation of goods and supplies from supplier premises to hotel properties, including both local and international suppliers across Sri Lanka and Maldives operations	Active supplier lists per property; supplier addresses used to calculate transport distances; number of invoices used to estimate delivery frequency; average freight load of 600 kg used for international suppliers	Indian GHG Programme (2015) - land freight, mid-sized vehicles (<12 tonnes); ICAO Carbon Emission Calculator - international air freight; BEIS/ DEFRA (2025) - ferry transport (Maldives local)
Category 5 – Waste generated in operations	158.11	Indirect emissions from the treatment and disposal of operational waste including mixed waste	Weekly waste inventory records	BEIS/DEFRA (2025) - waste disposal emission factors; IPCC (2006) - methane emissions from composting
Category 6 – Business travel	79.55	Indirect emissions from employee travel for business purposes using transport not owned or controlled by the organisation (land & air travel).	Annual financial reports for transport used for number of trips and distance travelled; rate per km from the service provider; Air travel details such as destination, number of passengers and cabin class determined.	Indian GHG Programme (2015) - land freight, mid-sized vehicles (←12 tonnes); ICAO Carbon Emission Calculator - international air freight; BEIS/ DEFRA (2025) - ferry transport (Maldives local)

Category	Emissions (tCO_2e)	Activities in scope	Measurement method	Emission factor source
Category 7 – Employee commuting	415.94	Indirect emissions from daily travel by colleagues between their homes and place of work	Questionnaire-based data collection from individual associates	Indian GHG Programme (2015) for land and rail transport; BEIS/DEFRA (2025) for Dhoni and seaplane travel (Maldives)
Total upstream emissions	8,151.69			

Scope 3 - Downstream Categories

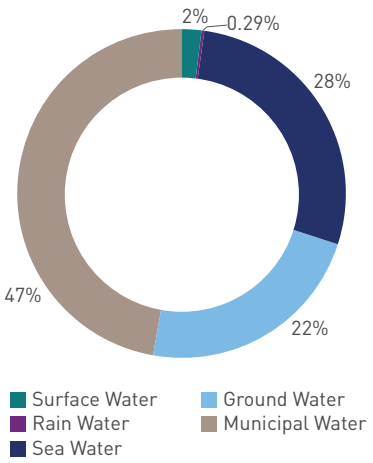
Category	Emissions (tCO_2e)	Purpose of use	Measurement method	Emission factor source
Category 12 – End-of-life treatment of sold products	85.31	Indirect emissions from the transport of waste generated within the operational boundary, including waste collected by vendors and transported to offsite treatment or disposal facilities	Waste transport records including vehicle type, average distance, collection frequency, and average load per vendor; obtained directly from hotel waste management teams	Indian GHG Programme (2015) for freight transport (←12 tonnes)
Total downstream emissions	85.31			

Note: Categories 2, 8, 9, 10, 11, 13, 14, and 15 are not reported for the financial year 2025/26. Category 6 is captured under the total Cinnamon Hotels & Resorts emissions. Non-reporting reflects either the absence of material activity within those categories given the nature of hotel operations, or data constraints. All quantification approaches are consistent with ISO 14064-1:2018 and the GHG Protocol Corporate Value Chain (Scope 3) Standard (2011), in accordance with SLFRS S2 disclosure requirements.

WATER RESOURCES

Water stress poses a significant challenge to the global hotel industry, as water is vital to its operations. This issue, exacerbated by climate change and population growth, results in less water available and rising costs in many tourist areas, especially coastal regions, islands, and highly seasonal destinations. The World Travel & Tourism Council (WTTC) reports that tourism uses between 3.5% and 5.8% of the world's water, with around 80% of this being indirect use—primarily through the supply chain, including agriculture and food production.

Water withdrawal by source



The hotel sector is affected not only by water stress but, in certain contexts, may also contribute to increased pressure on available resources. Hotel operations involve significant water consumption in activities such as laundry, cleaning, garden maintenance, swimming pool use and food and beverage services.

The analysis of SRROs and CRROs reflects this reality, identifying negative impacts linked to the depletion of water resources due to intensive abstraction, as well as financial and operational risks, such as increased supply costs or potential business interruptions in the absence of specific protocols to address water scarcity scenarios or drought-related restrictions.

At the same time, strategic opportunities have been identified in connection with the adoption of water-saving and efficiency technologies, including reuse and flow reduction, as well as the promotion of public-private partnerships to strengthen and modernise water infrastructure in the destinations where the Company operates.

We source water from multiple sources, including groundwater, municipal water supply and desalinated seawater.

According to the World Resources Institute's Aqueduct Country Ranking, Sri Lanka faces medium-to-high water stress, while pressure on water resources in the Maldives has also risen in recent years, driven by population growth, an expanding tourism industry, and the impacts of climate change. Additionally, Cinnamon's reliance on third-party water sources at Cinnamon Wild Yala and Cinnamon Bey Beruwala to meet operational needs underscores the imperative to manage these resources responsibly and sustainably.

Sustainability-related and Climate-related risks and opportunity management

Risk type	Risk description	Time horizon	Position in the value chain
Climate-related risk (Refer to page 321 in SLFRS 1 and SLFRS 2 disclosures)	**Physical – Chronic risk: Water stress & continuity risk** Rising water scarcity and unreliable supply can disrupt hotel operations and guest services. In regions facing water stress, dry periods or high local demand may lead to supply interruptions, increasing reliance on alternative sources and raising operating costs.	Short to Long-term	Own operation and upstream activities
Sustainability-related opportunity (Refer to page 328 in SLFRS 1 and SLFRS 2 disclosures)	**Water security & water neutrality** Opportunity to advance water security and water neutrality by reducing freshwater dependency and supporting water neutrality journey, enabling cost stability, resilience, and growth in water-scarce locations.	Short to Long-term	Own operation

Managing our water footprint

At Cinnamon, we emphasise reducing water consumption and improving the water efficiency of our processes.

Comprehensive water audits at Cinnamon Wild Yala and Cinnamon Bey Beruwala

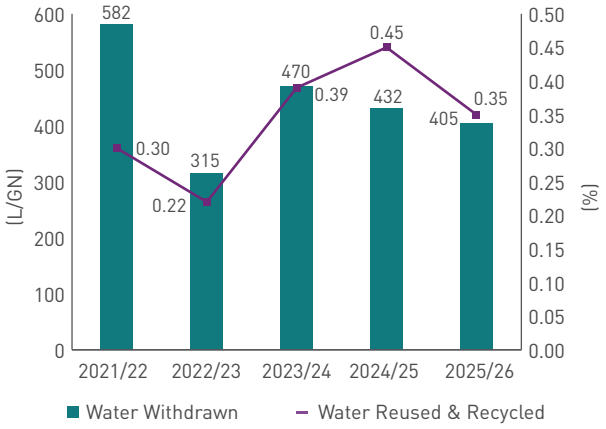
During the year under review, we, in partnership with The Climate & Conservation Consortium (CCC) successfully completed comprehensive water audits at Cinnamon Wild Yala and Cinnamon Bey Beruwala. The audits provided deep insights into water withdrawal and consumption trends and opportunities for water conservation enabling targeted improvement strategies that were tailored to the operational profile of each property. Key initiatives implemented in 2025/26 to strengthen the sustainability of our water footprint at these two properties include, 15% reduction in water consumption by Cinnamon Bey Beruwala following the phased installation of aerators and flow restrictors across selected areas of the hotel, with broader implementation ongoing. Several initiatives focusing on staff accommodation and hotel operations have been planned by Cinnamon Wild Yala.

In addition to the above, we have consistently implemented a range of initiatives to reduce water consumption across our properties. These include water-saving fixtures such as low-flow faucets, showerheads, dual-flush toilets in all guest rooms and public washrooms, and sensor taps in public washrooms. We also communicate our commitment to guests through towel and linen cards in the rooms. Where possible, we have installed sprinkler systems that use treated wastewater for garden irrigation, and we adhere to strict irrigation guidelines to ensure plant health while promoting efficient water use. Furthermore, we are committed to maintaining native plants that are well-suited to the local climate, which minimises additional water requirements.

We closely monitor water withdrawal and consumption across our properties, promptly recording and investigating any deviations. Additionally, we actively raise awareness among our staff to encourage responsible water consumption and reduce waste.

Supported by these initiatives, we observed improved water efficiency at the property level during 2025/26. However, year-on-year comparisons at the portfolio level are not directly comparable due to the addition of Kandy Myst by Cinnamon during the reporting period.

Water intensity



Water withdrawal				
	Units	2025/26	2024/25	Annual % change
Surface water	ML	16.90	0.83	
Ground water	ML	158.58	232.93	-31.92%
Pipe-borne water	ML	329.04	250.16	31.53%
Sea water	ML	199.27	190.21	4.76%
Rain water	ML	2.05	2.23	-8.15%
Total water withdrawn	ML	705.83	676.36	4.36%
Total water consumed	ML	141.17	135.27	4.36%
Water intensity	L/GN	405.03	431.72	-6.18%

Strengthening water resilience

As part of ongoing efforts to strengthen the water resilience of our operations, we have engaged in rainwater harvesting at 3 properties in Sri Lanka and at 2 properties in the Maldives. Moreover, through reverse osmosis filtration, Cinnamon Bey Beruwala has successfully utilised harvested rainwater for drinking. Harvested rainwater at other properties is used for non-potable purposes such as gardening and toilet flushing.

Additionally, reliance on desalinated seawater across all Maldives properties has strengthened Cinnamon's water resilience while reducing freshwater withdrawals.

Partnerships with the local communities

We maintained our commitment to providing safe drinking water to the students and teachers of the A/Madwala College, Habarana. The Cinnamon Habarana engineering team continued to maintain the reverse osmosis treatment facility, which was upgraded last year. Provision was also made for communities in the vicinity to access treated water. This initiative was implemented by Cinnamon Lodge Habarana and Habarana Village by Cinnamon, in collaboration with the John Keells Foundation, under the John Keells Praja Shakthi, Habarana initiative.

Wastewater Management

All properties in the Maldives and 6 properties in Sri Lanka operate in-house wastewater treatment plants. Trinco Blu by Cinnamon, Cinnamon Bey Beruwala, and Kandy Myst by Cinnamon utilise aerobic treatment with Rotatable Biological Contactors (RBC), while all other properties operate conventional biological treatment with activated sludge. Regular monitoring of key water parameters, including Biological Oxygen Demand (BOD), nutrient volumes such as nitrogen and phosphorus, the presence of heavy metals, and faecal coliform count, among others, ensures responsible discharge of treated wastewater.

Water discharge				
	Units	2025/26	2024/25	Annual % change
Surface water	ML	48.16	37.25	29.29%
Groundwater	ML	0.65	0.66	-1.95%
Sea water	ML	178.64	113.48	57.43%
Third party water	ML	83.26	85.34	-2.44%
Recycled water	ML	185.94	301.73	-38.38%
Total water discharged	ML	536.95	478.27	12.27%

Replenishing water points to support wildlife

The large excavated area next to Cinnamon Wild Yala serves as a refuge for wildlife during the harsh dry season. Excess treated wastewater, which undergoes an additional filtration process, is released into this lake, helping to recharge groundwater and providing one of the few watering holes for wildlife during dry periods.

As part of our commitment to wildlife conservation during times of water scarcity, Cinnamon Wild Yala actively replenishes smaller watering holes in the surrounding area. In the past year, the property supplied 81,000 litres of water to these small water points, ensuring that wild animals have safe and uninterrupted access to water during the dry season.

Performance		2025/26	2024/25
Energy Consumption			
Non-renewable sources			
Purchased electricity (from CEB)	kWh	21,830,312.20	18,640,868.00
Liquid Petroleum Gas (LPG)	kg	433,115.00	178,842.00
Diesel	Liters	4,691,143.17	4,620,205.80
Petrol	Liters	581,207.77	578,479.77
Renewable sources			
Solar power	kWh	542,299.60	470,976.40
Total energy consumed	GJ	298,091.26	276,079.38
Total energy from grid electricity	%	26.36	23.32
Total energy from renewables	%	0.65	0.61
Energy Intensity	GJ/GN	0.17	0.18
Water and Effluents			
Water withdrawn sources			
Surface water- river, lakes, wetlands	ML	16.90	0.83
Ground water	ML	158.58	232.93
Rainwater harvested	ML	2.05	2.23
Municipal water supply	ML	329.04	250.16
Sea Water	ML	199.27	190.21
Total water withdrawn	ML	705.83	676.36
Water intensity (L/GN)	L/GN	405.03	431.72
Water discharge by destination			
Municipality sewerage, drainage lines	ML	83.26	85.34
Rivers, lakes, wetlands	ML	48.16	37.25
Sea	ML	178.64	113.48
Total water discharge	ML	536.95	478.27
Total water consumption from all areas	ML	141.17	135.27
Water recycled and reused	ML	185.94	301.73
% of water recycled and reused	%	26	45
Green House Gas (GHG) Emissions			
Total GHG emissions (with Scope 3)	tCO_2e	38,074.94	35,509.37
Direct (Scope 1) GHG emissions	tCO_2e	20,223.81	19,858.28
Energy indirect (Scope 2) GHG emissions	tCO_2e	9,614.13	7,836.74
GHG emissions intensity	$kgCO_2e$/GN	21.85	22.83
Increase of GHG emissions	tCO_2e	2,565.57	4,286.29
Waste			
Waste generated			
Non-hazardous waste	MT	1,669.41	1,927.09
Hazardous waste	MT	23.08	22.62
Total waste generation	MT	1,692.50	1,949.71
Waste disposal (Non-hazardous)			
Reuse	MT	884.85	1,060.65
Recycling	MT	105.25	150.68
Composting	MT	343.30	438.14
Recovery	MT	15.27	9.77
Incineration	MT	12.62	153.53
Landfill	MT	320.75	114.33
Total waste disposal	MT	1,692.50	1,927.09
Waste disposal (Hazardous)			
Reuse	MT	7.04	-
Recycling	MT	2.07	7.20
Landfill	MT	-	15.42

PROSPERITY



EMPOWERING COMMUNITIES, DRIVING PROSPERITY

We seek to foster economic empowerment, social equity and cultural preservation through community engagement programmes that promotes creative expression, youth education and social wellbeing.

2,835
individuals positively impacted in 2025/26

10,850.40
Volunteer hours dedicated to community empowerment in 2025/26

We focus on delivering shared value by expanding economic opportunities, building local capacity, and strengthening social wellbeing while enhancing the resilience of our operating environments.

EMPOWERING OUR COMMUNITIES

Our approach to community engagement centres on creating shared value for local communities by facilitating avenues for economic participation, empowering youth and fostering community wellbeing. Our strategic efforts are guided by the JKH Group's community empowerment vision and broadly align with the four pillars presented below.

Education

Empowering employability and entrepreneurship of children and youth through access to educational opportunities and resources.

Social Health & Cohesion

Empowering a healthy and progressive Sri Lanka by combating social barriers, promoting dialogue and supporting creative industries.



Community & Livelihood

Empowering self-reliant communities through better access to sustainable livelihoods, enabling ecosystems and essential infrastructure.

Biodiversity

Enhancing quality of life for all through the conservation and promotion of natural resources, habitats and wildlife.

Cognisant of the potential of collective effort to amplify positive outcomes, we actively encourage colleagues to participate in our community empowerment programmes. Colleagues can give back to local communities by volunteering their time and expertise, which in turn fosters a strong sense of purpose within our team and enables deeper relationships with local communities.

Our operations do not cause significant or potential negative impacts on our local communities. How we engaged with local communities to create shared value in 2025/26 is summarised below.

10,850.40

volunteer hours in 2025/26

EDUCATION

During 2025/26, our strategic initiatives under the 'Education' pillar focused on youth empowerment. This entailed improving access to better employment opportunities through higher-education scholarships, English-language proficiency, child safety and protection, and supporting the aspirations of talented and passionate individuals to pursue careers in the hospitality industry.

The Ocean Sprout Marine Biology Awareness Programme

Initiated by Cinnamon Hakuraa Huraa Maldives, the Ocean Sprout Marine Biology Awareness Programme was developed to raise awareness among school children about the importance of protecting our marine ecosystems and empower the next generation in marine conservation.

Over 1,000 students from four schools in the surrounding islands, namely, Naadufushi School, Mulak School, Meemu Atoll Education Centre and Kolhufushi School, participated in interactive sessions tailored for different age groups. These workshops provided a unique opportunity for children to learn about coral reefs, marine life, and the role they can play in safeguarding the ocean. The sessions were conducted by our Marine Biologist in collaboration with property staff.

The sessions encouraged active participation, with students engaging enthusiastically through questions and discussions that reflected a growing interest in marine conservation. The programme was also well received by teachers and parents, who appreciated the initiative and the opportunity it created to build awareness and responsibility for ocean protection within the community.

>1,000

Students participated in interactive sessions



Empowering local youth through scuba diving training

Cinnamon Velifushi Maldives supported students attending schools in the Keyodhoo and Felidhoo islands to qualify as certified professional divers by completing the internationally recognised PADI (Professional Association of Diving Instructors) Programme. This programme provides holistic training through theory classes, confined water skill development and open water dives around the island's vibrant reefs. Students were also introduced to marine ecology, coral conservation and safe diving practices, effectively blending professional competency development with environmental awareness.

For many students, this was their first experience using professional diving equipment or exploring deeper reef environments, contributing to increased confidence and a stronger sense of career possibility. Building on the success of the programme, Cinnamon Velifushi Maldives intends to support the students' progression to Advanced Open Water certification in the coming year. The property also aims to create internship and employment opportunities for suitable candidates, strengthening local talent pipelines in diving, water sports, and marine recreation.

Given the central role of the ocean in both community life and national tourism, this programme gives young people access to skills and qualifications that are often difficult to obtain in remote island communities.

9

Students including 3 female students qualified as certified divers



Our impact in 2025/26

36

students awarded scholarships to pursue higher education

184

students awarded scholarships to elevate English language proficiency

>766

Teachers and students on exposure visits to our properties



Supporting the higher education of talented individuals

We continued to engage with the John Keells Foundation to assist deserving students in reaching their potential by pursuing opportunities in secondary and tertiary education. Deserving students from 5 regions were identified for financial assistance in 2025/26 with scholarships awarded based on merit, financial need and potential for success.

Elevating English language proficiency

Continued commitment to the John Keells Foundation English Language Proficiency Programme enabled us to support 184 students in improving their English proficiency and accessing improved opportunities in education and employment.

Showcasing opportunities in hospitality

Our properties actively engage with local schools and educational institutions to provide young people with practical insights into hotel operations and sustainable tourism, while highlighting career opportunities within the hospitality industry.

Property	
Cinnamon Hakuraa Huraa Maldives	On World Tourism Day, Cinnamon Hakuraa Huraa Maldives hosted a special programme for 35 students pursuing Tourism Management at the Muli School, Maldives. The event featured: • Insightful presentations on the Maldivian hospitality industry • Sustainability within the tourism sector • An interactive property tour which provided practical insights across key functional units including Front Office, Housekeeping, Food & Beverage and Engineering • Live cookery demonstration
Cinnamon Wild Yala	We welcomed 70 students who had completed the Ordinary Level examination at the Magama Maha Vidyalaya to experience day to day hotel operations.

Our properties provided essential stationery and school equipment to students in local communities to support their education. This included,

Supporting local schools	
Property	Annual % change
Cinnamon Wild Yala	Provided books and other essential school items to the Diyathalawa Aluthwala Primary School.
Cinnamon Citadel Kandy	Supplied equipment to support Home Science education at the Wimalarathna College, Narampanawa.
Cinnamon Lodge Habarana and Habarana Village by Cinnamon	Facilitated the provision of essential equipment to support Home Science education at the Habarana Central College on International Chefs' Day. We also conducted a cookery demonstration at the school.
Ellaidhoo Maldives by Cinnamon	Extended equipment to the Hangnameedho School, Maldives to create a more engaging and interactive classroom environment.
Cinnamon Hakuraa Huraa Maldives	Provided learning equipment to the children of Veyaa Island to equip them with the tools needed to play, learn, and thrive.

COMMUNITY AND LIVELIHOOD

In 2025/26, we engaged in targeted initiatives to translate traditional artisanal skills into sustainable livelihoods for Sri Lankan artisans living near our properties. These initiatives created economic opportunities for local communities while also contributing to the preservation of our cultural heritage.

34

Local artisans supported in 2025/26.

Cinnamon Wild Yala



We supported 2 local batik and pottery artisans to display and sell a range of handmade products, including batik clothing, jewellery, ornaments, clay pots and clay items.

Cinnamon Bentota Beach



6 local artisans were supported to sell their goods, which ranged from traditional wood-carved masks, batik designs, traditional leather, silver and brass products, pencil art and oil paintings.

Trinco Blu by Cinnamon



5 women artisans were provided a dedicated space in the resort lobby to display and sell handcrafted, eco-friendly Palmyra items such as hats, handbags, lunchboxes, food covers and decorative products.

Cinnamon Citadel Kandy



We gave 5 talented artisans the opportunity to showcase and sell their traditional crafts, including pan kola art, laksha work, wooden toys, brass creations and handcrafted handbags.

Cinnamon Bey Beruwala



6 local artisans were supported in selling items such as paintings, pencil art, handmade and carved wood products, leather goods and reed-based items. While opportunities were provided on rotation during the normal course of business, we facilitated expanded display areas on special occasions.

Hikka Tranz by Cinnamon



10 women batik artisans participated in a pop-up market during festive seasons.

THE HIKKA BATIKS PROGRAMME

Now in its 7th year, the Hikka Batiks programme, implemented by Hikka Tranz by Cinnamon in collaboration with the John Keells Foundation, continued to support artisan women in the Hikkaduwa area. Through this programme, artisan women are provided with discarded hotel linen for no charge to upcycle into batik products. During 2025/26, we bought back 174 batik bed runners and batik bed sheets, supporting the artisans' livelihoods while promoting their craftsmanship. We also organised weekly batik pop-up markets providing a platform for the artisan women to showcase their talent and expand market opportunities. During 2025/26, we also facilitated an opportunity for them to meet Mrs. Jezima Mohammed, the founder of Jez Look Batiks, a leader in the batik industry of Sri Lanka, to enhance their skills, creativity and capacity.

Rs.266,950

Income generated for 10 artisan women in 2025/26.

'BEES THAT SUSTAIN LIVES'

Implemented by Cinnamon Lodge Habarana and Habarana Village by Cinnamon under the John Keells Praja Shakthi programme, this initiative strives to create economic opportunities for participants through beekeeping. Since its launch in 2023, our team has worked closely with residents in the local community by providing beekeeping equipment and engaging in capacity-building to support their progression from bee colony development and maintenance to harvesting and extracting honey and beeswax. As at end-March 2026, participants had successfully prepared bottled samples and were in the process of obtaining a quality certification from the Department of Agriculture.

18

community members supported in 2025/26.



SOCIAL HEALTH AND COHESION

This pillar focused on raising child safety awareness and promoting community wellbeing in 2025/26.

Raising child safety awareness

This programme, initiated in 2023, was designed to raise awareness about child safety among colleagues and the local community through specially developed puppet shows. The first phase, which has been successfully completed, focused on raising awareness among colleagues through targeted training sessions.

Building on this foundation, the second phase—initiated in 2024/25—extended the programme to our local communities.

Specially designed puppet show, 'Amal Biso,' developed in partnership with Power of Play (Pvt) Ltd and the John Keells Foundation was used to teach children about personal safety, empower them with practical strategies to protect themselves, and encourage them to seek help when needed.

In 2025/26, the 'Amal Biso' puppet show was repeated to 9 schools in the Kandy districts reaching over 600 students. A new specially designed puppet show titled 'Athule Yaka' educated 165 students from 3 schools from the Kalutara and Galle districts as well as schools from the John Keells Praja Shakthi locations of Ja-Ela and Moratuwa.

765

Students educated on personal protection.



270

Individual positively impacted through health awareness programmes





Health and wellbeing awareness

We conducted several awareness programmes on critical health and social topics for local communities and colleagues in 2025/26.

Health screening and awareness	Breast cancer awareness	Substance Abuse Awareness
Cinnamon Dhonveli Maldives conducted a Women's Health Awareness programme at the school on Huraa Island for female public-sector employees working there. In addition to raising awareness, we also conducted a basic health screening for participants.	Conducted by Cinnamon Velifushi Maldives, this programme provided valuable insights into early detection, prevention and the importance of maintaining breast health for in-house female colleagues, students and teachers of the Keyodhoo School.	Hikka Tranz by Cinnamon conducted a Drug Awareness session for the students of Mahinda College, Galle, in collaboration with the National Dangerous Drugs Control Board (NDDCB) and the Sri Lanka Police. The programme aimed to educate youth on the dangers of drug use, promote informed decision making, and strengthen community efforts toward creating a safer, healthier environment.
45 women participated	**25** women participated	**200** children participated

Refurbishment of the Keyodhoo Health Centre

Cinnamon Velifushi Maldives supported the refurbishment of the Keyodhoo Health Centre, to create a more comfortable and supportive environment for patients and healthcare staff. Colleagues working at Cinnamon Velifushi Maldives actively volunteered in this initiative. The Keyodhoo Health Centre is the primary healthcare facility on Keyodhoo Island and serves over 1,350 local community members.

Supporting communities affected by Cyclone Ditwah

The widespread flooding and landslides triggered by Cyclone Ditwah caused a significant loss of life, community displacement and damage to infrastructure. Responding to the immediate needs of affected communities, our properties initiated a range of immediate relief efforts with active colleague participation to support coordination. We also supplied books and stationery to students of the 3 affected schools to support continuity in their education.



1,315

volunteer hours in support of relief efforts

Property	Relief provide
Cinnamon Bentota Beach	• Dry rations, essential items and medicine worth Rs. 300,000, along with repurposed linen, clothing items and crockery, were provided to individuals directly affected in the Ramboda area. • Provided 300 kg of dry rations, 500 cooked meal packs, drinking water, hygiene products, and diapers were provided to affected communities in the Ja-Ela area, along with boat assistance for distribution.
Cinnamon Citadel Kandy	• Provided 900 cooked meal packs to affected communities in the Wattaranthenna and Gampola areas in the Kandy district.
Kandy Myst by Cinnamon	• Provided 1,000 meal packs to affected communities in the Gelioya, Gampola and Ulapane areas in the Kandy district.
Cinnamon Lodge Habarana and Habarana Village by Cinnamon	• Book and stationery donations to students of • Peradeniya Primary School (30 students) • Atabhage Rajananda College (170 students) • Atabhage Udagama Central College (478 students).
Cinnamon Wild Yala	• Dry rations and drinking water were provided to affected residents in the Haputhale district along with support for post-cyclone cleaning efforts. • Provided 50 cooked meal packs, dry rations and 500 water bottles to affected communities in Maagama.
Trinco Blu by Cinnamon	• Provided Rs 25,000 worth of dry rations and water to a relief camp set up in the Muttur district for affected communities.

SUSTAINABLE SUPPLY CHAINS

By prioritising sustainable sourcing and local engagement, we deliver shared value across our value chain from enriched guest experiences and empowered local communities to resilient supply chains and an improved environmental footprint.



Value delivered in 2025/26

34.58%
Spend on local suppliers in 2025/26

87.06%
Of suppliers are from local communities

29.37%
Of supplies sourced from certified suppliers.

GOVERNANCE

Our procurement practices are guided by our Procurement Policy, which sets out clear guidelines for sourcing goods and services to ensure quality, cost efficiency, reliability and sustainability. The Policy also outlines impartial and transparent processes for supplier selection and engagement while promoting local sourcing and sustainable supply chain practices. This includes the protection of human rights, safe working conditions, ethical labour practices and responsible environmental practices within the supply chain.

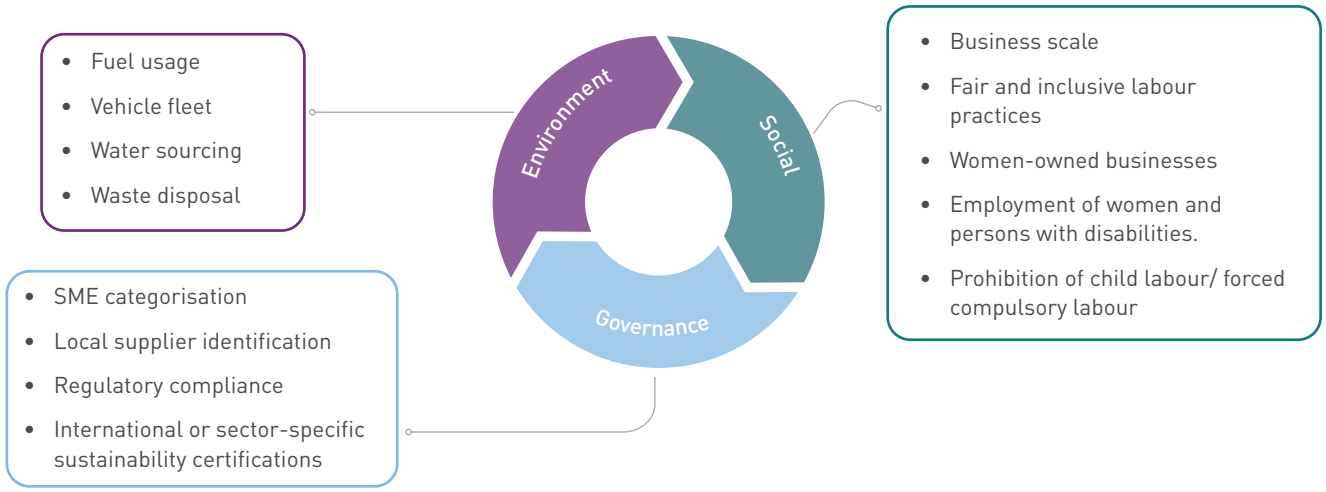
THE CINNAMON SUPPLIER IMPACT ASSESSMENT

During the year under review, we expanded the scope of the Cinnamon Supplier Impact Assessment initiated in 2024/25 to facilitate a more structured evaluation of our supplier base and their sustainability footprint. Given the size and diversity of our supplier base, the 2025/26 assessment was rolled out to suppliers not previously assessed. Accordingly, suppliers who responded during FY 2024/25 have also been included in the analysis below to ensure broader and more comprehensive coverage.

Given the scale and variety of goods procured, classifying suppliers as 'local' solely by the origin of the company was insufficient. Therefore, a more comprehensive definition where, the origin of the product raw material, location of manufacture, value additions done to the product, as well as special considerations for those suppliers who have both local and imported products were applied.

Cinnamon's Supplier Impact Assessment: Our Compass for Responsible Sourcing

Informed by local regulations, sustainability priorities identified in local and global sustainability standards and new disclosure requirements, we developed a structured questionnaire that covered a range of criteria under environment, social and governance themes as set out below.



18.59%

of suppliers across housekeeping goods, food & beverage, engineering, transport and logistics, IT and other services were evaluated.

Data obtained from Supplier Impact Assessment Questionnaires were collated and analysed to obtain a comprehensive overview of our supplier network and assess the progress we have made in empowering local communities through responsible, local sourcing. Findings from this assessment will guide Cinnamon's future efforts in strengthening the sustainability and resilience of its supply chain by

- Enabling focused capacity building to drive alignment with Cinnamon's sustainability commitments across carbon reduction, resource efficiency and waste management.
- Facilitating the promotion of sustainable raw material sourcing, environmentally responsible operations and ethical agricultural and manufacturing practices among our suppliers.
- Facilitating focused efforts to develop an inclusive and diverse supplier base, strengthening our commitment to social equity and fair economic opportunity.
- Promoting local entrepreneurship with a specific emphasis on micro-entrepreneurs and SMEs.

OUR SUPPLY CHAIN

Salient features of our supply chain, as identified through the Supplier Impact Assessment, are presented below

Empowering local communities

303

Suppliers

96.04%

supplies sourced from local communities

79.21%

sourced from SMEs

Inclusive sourcing

20.79%

Female entrepreneurs

27.39%

Suppliers with >50% female representation in the workforce

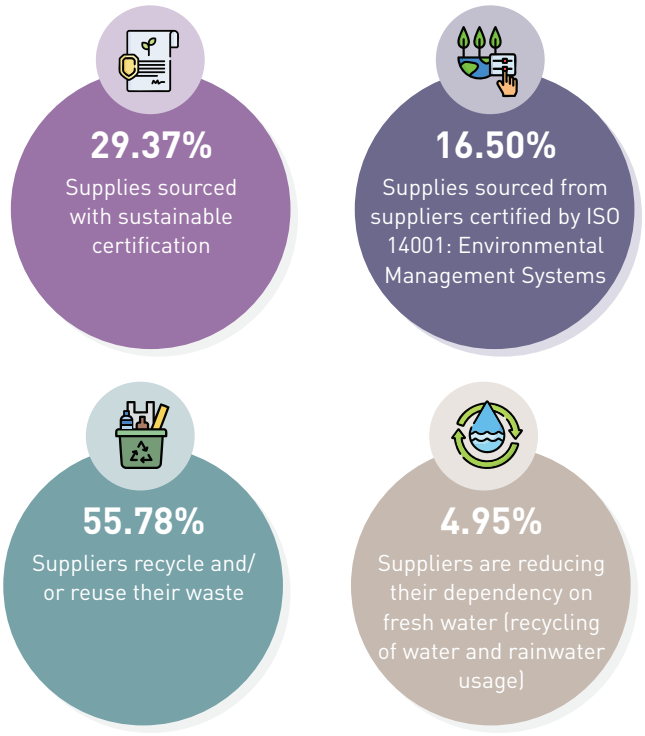
7.92%

Suppliers employing persons with disabilities.

Responsible and sustainable sourcing

0

Suppliers with negative social and environmental impacts



SUPPLIER CAPACITY BUILDING

Food safety-related awareness sessions for food suppliers

As part of the commitment to responsible sourcing and community empowerment, Cinnamon conducted structured food safety awareness sessions for food suppliers to enhance knowledge, improve practices, and support suppliers in meeting both regulatory and group food safety standards.

The sessions focused on key areas including regulatory requirements, personal hygiene, food allergy management and overall food safety practices.

Area Public Health Inspectors participated in these sessions, providing practical guidance and regulatory insights, further strengthening collaboration between suppliers and public health authorities. In addition, all participating suppliers were provided with a food safety handbook developed by the Cinnamon Food Safety team and printed in the local language to ensure accessibility.

Through these initiatives, Cinnamon continues to support supplier capability development, promote safer food handling practices within the wider community, and contribute to improved public health outcomes across its supply chain.

SAFE FARM TO FORK 2.0

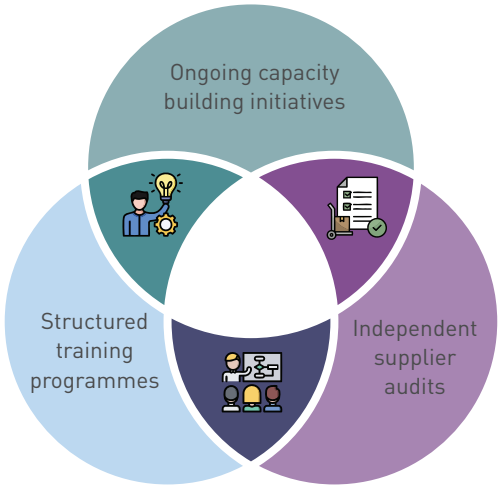
Strengthening local SMEs through food safety excellence

This initiative was designed to strengthen food safety practices among small- and medium-scale suppliers who do not possess formal food safety certifications.

The programme aims to enhance regulatory compliance, improve operational standards, and support the long-term sustainability of local suppliers.

By building suppliers' capacity and strengthening their food safety frameworks, the initiative supports improved regulatory compliance, enhances operational confidence, and creates pathways to wider business and market opportunities. Beyond delivering safer food to our operations, the programme emphasises supplier development, enabling them to advance to a higher level of food safety performance and long-term resilience.

The programme encompassed,

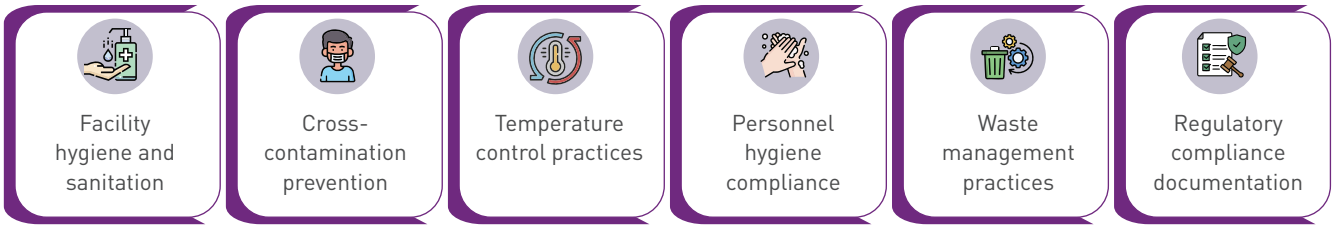


The initiative also supported the introduction of several structured improvements to Cinnamon's supplier management systems. These included,

- Revisions to the Supplier Good Manufacturing Practices Audit Checklist to strengthen the audit process.
- Documentation and communication of audit findings to suppliers in the local language.
- Formalisation of the corrective action tracking systems.
- Strengthening documentation required for food handler medical certification and water quality testing.
- Alignment of supplier requirements with updated internal food safety management systems requirements.
- Integration of traceability verification during follow-up audits.

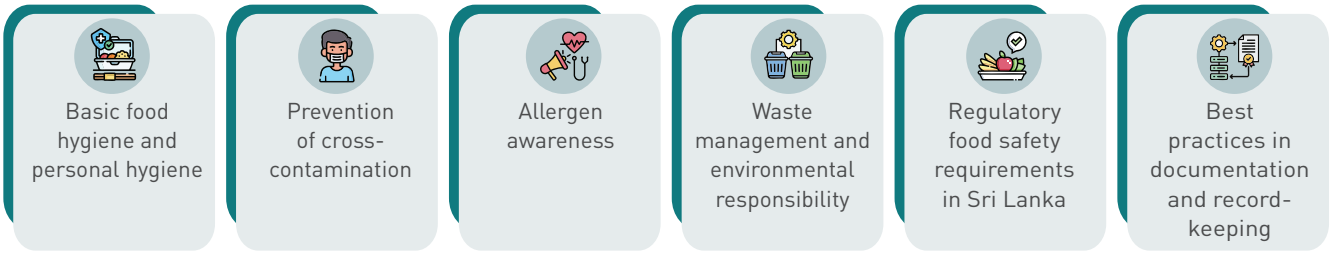
SUPPLIER AUDITS

Supplier audits formed an integral role in supplier capacity building. We conducted supplier audits based on Good Manufacturing Practices (GMP) and the relevant food safety regulations of Sri Lanka. Expert external auditors conducted the initial audit, while follow-up audits were conducted by trained internal Food Safety, Hygiene and Health and Safety teams. Key focus areas of the audit included;



Structured food safety training programmes

We also conducted structured food safety training programmes at our properties to support knowledge transfer and sustained improvement. Food safety training conducted at Trinco Blu by Cinnamon, Kandy Myst by Cinnamon and Cinnamon Bey Beruwela included;



The local Public Health Inspector also participated in sessions where applicable to strengthen capacity building in relation to regulatory requirements.

CONTINUOUS CAPACITY BUILDING

In addition to supplier audits and structured training, the Group also supported suppliers through the provision of

- On-site technical guidance during follow-up visits
- One-to-one corrective action discussions
- Mobile-based audit report discussions
- Temperature monitoring guidance for cold chain suppliers
- Layout improvement advice to prevent cross-contamination
- Assistance with documentation structuring
- Guidance on scaling operations while maintaining food safety standards

Food supplier audits

We have established a comprehensive framework to select, assess, and continuously monitor suppliers providing ingredients and prepared food to our properties, ensuring the safety and quality of food served while actively supporting supplier development.

Supplier selection criteria are aligned with Good Manufacturing Practices and hygiene-related best practices, supported by a structured scoring system for supplier approval.

On-site audits are conducted, not only to assess compliance but also to identify improvement opportunities and build capacity. Detailed feedback is shared with suppliers to strengthen their food safety practices, operational controls, and overall production processes. Follow-up audits are carried out for selected suppliers to track progress and support the effective implementation of audit recommendations.

Through this approach, we aim to uplift local suppliers, enhance their food safety capabilities, and foster confidence and resilience within the supply chain contributing to long-term community development and responsible sourcing.

Suppliers positively impacted through the Safe Farm to Fork 2.0

101
SME suppliers supported across fresh seafood, fruits and vegetables, bakery and dry goods, and traditional and local speciality food categories

07
Women entrepreneurs supported

110
Independent audits conducted in 2025/26

37
Follow-up audits conducted in 2025/26

3
Structured training programmes conducted in 2025/26

852.5
Man-hours on ongoing supplier capacity building

5
Suppliers upgraded to Food Safety Management System

165
Suppliers participated in training programmes

Supplier audits through reputed third-party auditors

To enhance the effectiveness and efficiency of the third-party food supplier audit process, Cinnamon entered into formal agreements with three reputed auditing bodies. These agreements ensured a structured and standardised approach to conducting the annual third-party food supplier audit, thereby strengthening the overall auditing framework. Formal agreements with reputed auditing bodies have strengthened the transparency, consistency and credibility of the supplier audit process while ensuring rigorous evaluation of food suppliers. This has ensured our compliance with all food safety regulations, industry standards and Cinnamon's internal requirements.



SUSTAINABLE CULTIVATION OF FRESH PRODUCE

Greenhouse Project at Cinnamon Lodge Habarana

The Greenhouse Project at Cinnamon Lodge Habarana integrates modern agricultural techniques, including vertical farming and hydroponics, to consistently cultivate a diverse range of vegetables and herbs. Controlled greenhouse conditions and minimal chemical use create the optimal environment for producing fresh, high-quality ingredients on-site, ensuring superior freshness for our culinary offerings. Additionally, this project has strengthened supply resilience against external supply disruptions while lowering our transportation related Scope 3 emissions.

Addarahena Farm at Cinnamon Bentota Beach

The "Addarahena farm" at Cinnamon Bentota Beach produces a variety of vegetables, including okra, green chillies, brinjals, ridge gourd, tomatoes, and beans. The farm also includes a small paddy field for paddy cultivation. Practising 100% chemical-free organic farming, this initiative has increased the use of fresh, locally grown produce while reducing our food miles. The farm also provides guests with the opportunity to harvest fruits and vegetables and prepare their own meals in a small hut adjacent to the farm.



95.8 kg
of fresh produce harvested in 2025/26

Organic Gardens within all Maldivian properties

Our Maldivian properties have established organic gardens to grow vegetables and herbs for their culinary offerings. Ellaidhoo Maldives by Cinnamon and Cinnamon Dhonveli Maldives have installed hydroponic systems for vegetable cultivation, while Ellaidhoo Maldives by Cinnamon has enhanced the sustainability of its gardens by utilising treated, dehydrated food waste as organic fertiliser and refiltered, treated wastewater to meet its water requirements. Cinnamon Hakuraa Huraa also expanded its organic garden in 2025/26 while testing the feasibility of using treated, dehydrated food waste residue as fertiliser.

CYBERSECURITY AND DATA PRIVACY

Cybersecurity remains an important part of Cinnamon Hotels & Resorts' overall governance and risk management framework, given the increasing reliance on digital platforms across reservations, guest services, payment channels, hotel operations, corporate systems, and third-party integrations. Our approach is focused on protecting guest, employee, and business information, while maintaining the availability and integrity of systems that support our operations. Cybersecurity and data protection related risks are reviewed through established internal governance processes, with relevant matters escalated where required in line with John Keells Group policies and oversight mechanisms.

Our cybersecurity approach is guided by Group information security policies and focuses on strengthening data protection, secure connectivity, incident response readiness, disaster recovery planning, employee awareness, and the continuous monitoring of potential threats. We continue to enhance our IT security practices in line with applicable regulatory requirements and recognised good practices, supporting operational resilience, responsible data handling, and stakeholder trust.

At Cinnamon Hotels & Resorts, respect for personal data and individual privacy is central to our commitment to guest trust, ethical business conduct, and responsible growth. As a hospitality group that engages with guests, employees, partners, and service providers across multiple touchpoints, we recognise that protecting personal information is fundamental to maintaining confidence in our brand and ensuring the integrity of our operations. Our approach to data privacy is therefore guided by principles of lawfulness, transparency, accountability, and proportionality throughout the personal data lifecycle.

Our data privacy framework is aligned with the Sri Lankan Personal Data Protection Act No. 9 of 2022 and is informed by internationally recognised privacy principles reflected in global regulatory frameworks such as the European Union (EU) General Data Protection Regulation (GDPR). These obligations are formalised through a comprehensive Data Protection Policy that governs how personal data is collected, used, disclosed, retained, and disposed of across the Group. The policy establishes clear standards for lawful processing, purpose limitation, data minimisation, accuracy, and retention, ensuring that personal information is handled responsibly and only for legitimate and clearly defined business purposes.

Strong governance and accountability are integral to our privacy programme. The Hotels group has appointed a designated Data Protection Officer (DPO) who provides centralised oversight of data protection activities across the organisation. The DPO is responsible for advising management and operational teams on privacy obligations, monitoring compliance with applicable data protection laws, and overseeing the handling of data subject rights requests, including requests for access, correction, erasure, and objection. This governance structure supports a consistent interpretation of regulatory requirements and enables effective coordination across hotels, corporate functions, and shared services.

Our privacy framework is built on the principle of Privacy by Design and by Default, ensuring that data protection considerations are embedded into business processes, systems, and initiatives from the outset. Privacy impact considerations are incorporated into the development and enhancement of guest facing and internal processes, particularly where personal data is collected or processed at scale. This approach promotes transparency, supports informed decision making, and helps ensure that only the minimum amount of personal data necessary is processed to achieve defined operational objectives.

We place strong emphasis on translating privacy requirements into everyday operational practices. We deliver mandatory data privacy awareness programmes to all associates, reinforcing individual responsibility for handling personal data appropriately and in accordance with approved policies and procedures. Training content is periodically reviewed and updated to reflect regulatory developments, evolving operational practices, and lessons learned from internal reviews. This ongoing focus on awareness supports a culture in which respect for privacy is embedded across all levels of the organisation.

Cinnamon Hotels & Resorts also recognises the importance of responsible data handling across its broader business ecosystem. Where personal data is processed by third party service providers on behalf of the Group, defined contractual and governance measures are in place to ensure that such processing is carried out in accordance with applicable data protection requirements and our internal standards. These arrangements support transparency, accountability, and responsible stewardship of personal data throughout the value chain.

To support continuous improvement, we periodically engage independent external parties to conduct gap assessments of our data protection framework. These assessments enable us to evaluate our practices against evolving regulatory expectations and global hospitality industry benchmarks, identify areas for enhancement, and strengthen our privacy governance over time. Outcomes from these reviews are used to inform policy updates, procedural refinements, and targeted awareness initiatives, reinforcing a structured and proactive approach to privacy management.

As regulatory expectations and stakeholder awareness around personal data continue to evolve, Cinnamon Hotels & Resorts remains committed to strengthening its data privacy framework in a measured and responsible manner. With clear governance, defined accountability, employee awareness, and ongoing reviews, we aim to uphold high standards of privacy protection and reinforce trust with our guests, employees, partners, and regulators.

No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

GRI INDEX

Statement of use	John Keells Hotels PLC has reported in accordance with the GRI Standards for the period 01 April 2025 to 31 March 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	5, IBC			
	2-2 Entities included in the organisation's sustainability reporting	5			
	2-3 Reporting period, frequency and contact point	5,7			
	2-4 Restatements of information	6			
	2-5 External assurance	6, 130-131			
	2-6 Activities, value chain and other business relationships	18-19, 22-25, 117-118			
	2-7 Employees	63			
	2-8 Workers who are not employees	63			
	2-9 Governance structure and composition	156-158,159-161			
	2-10 Nomination and selection of the highest governance body	162-163,173-175			
	2-11 Chair of the highest governance body	157			
	2-12 Role of the highest governance body in overseeing the management of impacts	158-159,179,188-190			
	2-13 Delegation of responsibility for managing impacts	159,179,188-190			
	2-14 Role of the highest governance body in sustainability reporting	7,188-190			
	2-15 Conflicts of interest	165			
	2-16 Communication of critical concerns	195, 197-198			
	2-17 Collective knowledge of the highest governance body	191			
	2-18 Evaluation of the performance of the highest governance body	165-166			
	2-19 Remuneration policies	164			
	2-20 Process to determine remuneration	164			
	2-21 Annual total compensation ratio			Confidentiality constraints	Not disclosed due to the confidentiality of the process.

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-22 Statement on sustainable development strategy	10-15			
	2-23 Policy commitments	55,197			
	2-24 Embedding policy commitments	55,197			
	2-25 Processes to remediate negative impacts	74, 198			
	2-26 Mechanisms for seeking advice and raising concerns	74, 198			
	2-27 Compliance with laws and regulations	211			
	2-28 Membership associations	35			
	2-29 Approach to stakeholder engagement	32-35			
	2-30 Collective bargaining agreements	75			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	57-58			
	3-2 List of material topics	58-60			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
Disclosure 101-1 Policies to halt and reverse biodiversity loss	101-1 Policies to halt and reverse biodiversity loss	82-83			
	101-2 Management of biodiversity impacts	84-91			
	101-3 Access and benefit-sharing	83			
	101-4 Identification of biodiversity impacts	81-86			
	101-5 Locations with biodiversity impacts	85			
	101-6 Direct drivers of biodiversity loss			Information unavailable/ incomplete	Not measured
	101-7 Changes to the state of biodiversity			Information unavailable/ incomplete	Not measured
	101-8 Ecosystem services			Information unavailable/ incomplete	Not measured

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	315			
	201-2 Financial implications and other risks and opportunities due to climate change	49-51			
	201-3 Defined benefit plan obligations and other retirement plans	293-294			
	201-4 Financial assistance received from government		201 -4	Not applicable	The Company did not receive any financial assistance from the government throughout the year.
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	115			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	46			
	205-2 Communication and training about anti-corruption policies and procedures	196			
	205-3 Confirmed incidents of corruption and actions taken	46			
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	204			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 207: Tax 2019	207-1 Approach to tax	187-188			
	207-2 Tax governance, control, and risk management	187-188			
	207-3 Stakeholder engagement and management of concerns related to tax	187			
	207-4 Country-by-country reporting	132-141			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	97, 99			
	302-2 Energy consumption outside of the organisation			Information unavailable/ incomplete	Not measured
	302-3 Energy intensity	97, 99			
	302-4 Reduction of energy consumption	97, 99			
	302-5 Reductions in energy requirements of products and services			Information unavailable/ incomplete	Not measured
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	102-106			
	303-2 Management of water discharge-related impacts	106			
	303-3 Water withdrawal	105			
	303-4 Water discharge	106			
	303-5 Water consumption	105			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	99-102			
	305-2 Energy indirect (Scope 2) GHG emissions	99-100			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	305-3 Other indirect (Scope 3) GHG emissions	99-100,102-103			
	305-4 GHG emissions intensity	100			
	305-5 Reduction of GHG emissions	100			
	305-6 Emissions of ozone-depleting substances (ODS)	100			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	100			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	94-95			
	306-2 Management of significant waste-related impacts	94-95			
	306-3 Waste generated	96			
	306-4 Waste diverted from disposal	95-96			
	306-5 Waste directed to disposal	95-96			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	116			
	308-2 Negative environmental impacts in the supply chain and actions taken	116			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	63			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66			
	401-3 Parental leave	70			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	75			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	66			
	403-2 Hazard identification, risk assessment, and incident investigation	66			
	403-3 Occupational health services	69			
	403-4 Worker participation, consultation, and communication on occupational health and safety	69			
	403-5 Worker training on occupational health and safety	69			
	403-6 Promotion of worker health	68-70			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68-70			
	403-8 Workers covered by an occupational health and safety management system	66			
	403-9 Work-related injuries	70			
	403-10 Work-related ill health	70			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	76			
	404-2 Programs for upgrading employee skills and transition assistance programs	76-79			
	404-3 Percentage of employees receiving regular performance and career development reviews	77			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	63			
	405-2 Ratio of basic salary and remuneration of women to men			Information unavailable/ incomplete	Not measured
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	74			
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	47,75			
Forced or compulsory labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	47,75			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	108-114			
	413-2 Operations with significant actual and potential negative impacts on local communities	109			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	116			
	414-2 Negative social impacts in the supply chain and actions taken	116			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	43			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	43			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	121			

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JOHN KEELLS HOTELS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY 2025/26

EY
Shape the future with confidence

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Scope

We have been engaged by John Keells Hotels PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on John Keells Hotels PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in John Keells Hotels PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by John Keells Hotels PLC

In preparing the Subject Matter, John Keells Hotels PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

John Keells Hotels PLC's responsibilities

John Keells Hotels PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the John Keells Hotels PLC on 5 May 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

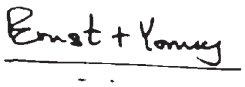
Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of John Keells Hotels PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.



26 May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

PERFORMANCE

SRI LANKAN RESORT CLUSTER

Operating context

Tourism sector performance

Sri Lanka's tourism industry maintained its growth momentum in 2025. Tourist arrivals rose by 15.1% to 2.36 million, with growth underpinned by the continued recovery and strengthening of the sector, growing traveller confidence, improved destination appeal and supportive marketing initiatives. Tourist arrivals remained strong over January and February 2026, with February recording the highest monthly arrivals in Sri Lanka's history. However, tourist arrivals in March 2026 declined by 19.7% YoY, reflecting uncertainties arising from the conflict in the Middle East and disruptions to air connectivity.

Tourism Sector Performance



Tourist arrivals - monthly



Tourism earnings in 2025 increased by 1.6% to USD 3.2 billion, marking the highest earnings since CY2019. Average duration of stay increased to 8.5 nights in 2025 from 8.4 nights in 2024

India remained the largest source market reflecting the critical role of proximity, air connectivity, cultural affinity and targeted marketing. The United Kingdom ranked as the second largest source market in 2025, overtaking the Russian Federation, which recorded a 7.60% decline in arrivals during the same period.

Key Source Markets - 2025 vs 2024
Top 10 international source markets by visitor arrivals

	Market	2025	2024	YoY Change
1	India	531,511	416,974	+27%
2	United Kingdom	212,277	178,339	+19%
3	Russian Federation	186,580	201,920	-8%
4	Germany	147,966	136,084	+9%
5	China	132,035	131,681	+0%
6	Australia	109,487	89,573	+22%
7	France	109,041	88,775	+23%
8	USA	65,973	59,532	+11%
9	Netherlands	64,164	50,116	+28%
10	Bangladesh	59,563	39,555	+51%

8.29 night

Average Duration of Stay

2024- 8.42 night (-0.13 night)

USD 148.26

Foreign Exchange Receipts Per Tourist Per Day

2024- USD 181.15 (-18.2%)

59,578

Total No. of Rooms

2024- 55,455 (+7.4%)

18,308

Room at Classified Tourist Hotel

2024- USD 17,182 (+6.6%)

Source: SLTDA

In CY2025, Sri Lanka tourism received strong international recognition from several leading global travel publications and platforms.

- The country was ranked among the best places to travel by BBC Travel, featured as an under-the-radar luxury holiday destination by World Travel Magazine
- highlighted by TIME Magazine through the inclusion of the Pekoe Trail among the world's greatest places.

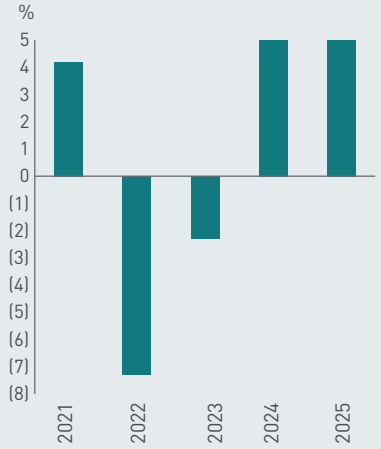
Key attractions and destinations also gained global attention,

- Sigiriya is named the most welcoming city in the world by Booking.com
- The Colombo - Badulla railway line is recognised by Lonely Planet as one of the world's top scenic train journeys,
- Jaffna is listed among the top cities to visit in 2026
- Sri Lanka was also promoted as a family-friendly destination by Travel and Tour World
- featured by Travel + Leisure among the best places to travel in 2026.

Sri Lankan economic performance

Sri Lanka's economy remained relatively stable in 2025/26. However, Sri Lanka's vulnerability to climate change and the urgent need to strengthen resilience were brought into sharp focus following the significant destruction caused by Cyclone Ditwah. Cyclone Ditwah affected Sri Lanka at the end of November 2025, causing considerable loss of life and damage to vital infrastructure, homes, and livelihoods, with the full economic cost still being assessed.

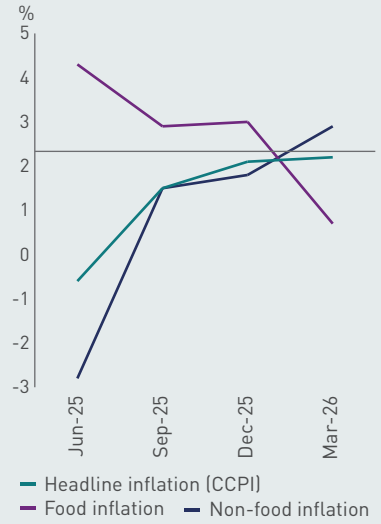
GDP growth



Sri Lanka's GDP expanded by 5%* in 2025 supported by broad-based growth across all Sectors.

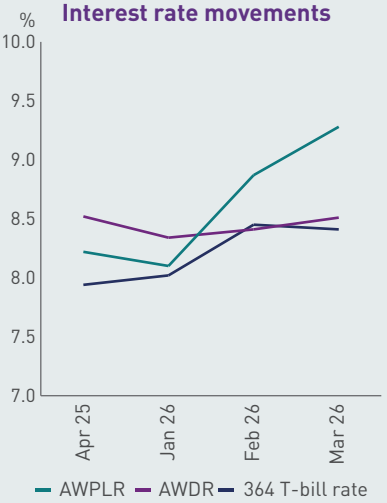
(*excludes the impact of Cyclone Ditwah as this is still under assessment)

Inflation



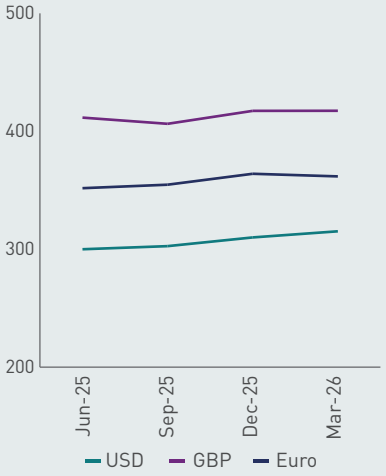
Headline inflation stood at 2.20% as of March 2026, having transitioned to positive territory from August 2025 onwards. CBSL expects inflation to reach its target of 5% by the second quarter of 2026.

Interest rate movements



AWPLR recorded a progressive increase, reaching 9.39% as at end-March 2026 (2024/25: 8.44%). However, given low inflation, the CBSL maintained the Overnight Policy Rate at 7.75%, unchanged since November 2024.

Exchange rate movement



The Sri Lankan Rupee depreciated by 6.4% to Rs. 315 /USD during the year 2025-26.

External sector performance

- Sri Lanka's external sector stayed broadly stable in 2025, with the current account recording a marginal surplus of USD 1.7 billion.
- The cumulative trade deficit increased to USD 7.9 billion as outflows from imports exceeded record high levels of export earnings.
- A 22.8% increase in foreign workers' remittances (includes other remittances received following Cyclone Ditwah) and robust tourism sector performance continued to support the nation's external position.
- Sri Lanka's gross official reserves improved to USD 6.8 billion as at end-2025 and improved further to USD 6.9 billion as at end-March 2026.

Key opportunities and risks

Opportunities	Risks
• Strong underlying demand for travel • A stable domestic macro-economic landscape. • Technology and digitalisation to deliver elevated guest experiences and drive operational efficiencies. • Industry trends, evolving guest preferences and rising demand for MICE.	• Geopolitical conflicts and related uncertainties. Middle Eastern airlines account for more than 30% of total tourist arrivals to Sri Lanka through Middle East transit connections. Regional airspace constraints and elevated risk perceptions could meaningfully disrupt inbound flows. • Disruptions to air connectivity. • Changes in government policies. • Shortage of skilled labour. • Implications of climate change.

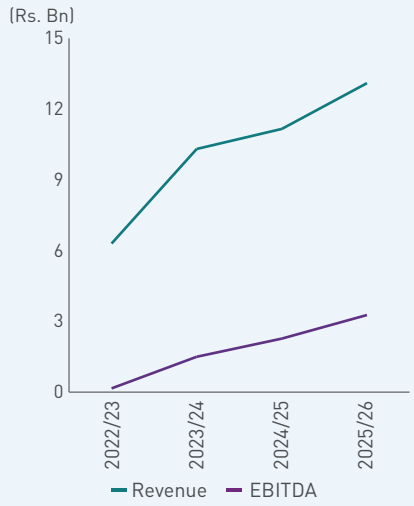
Performance review

Sri Lankan Cluster performance highlights

Rs 13.1 Bn (+17%)
Revenue in 2025/26

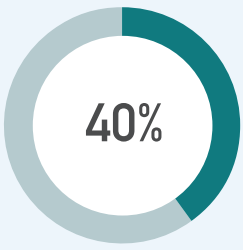
Rs 3.3 Bn (+44%)
Recurring EBITDA in 2025/26

Performance trends (Rs. Bn)

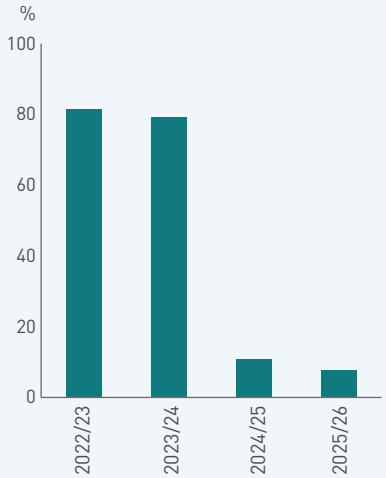


Contribution to group performance

Group Revenue in 2025/26



RevPAR growth



Sri Lankan Cluster - Occupancy trends





Awards & Recognitions

- Cinnamon Lodge Habarana and Habarana Village by Cinnamon received the Travelife Gold Certification.
- Cinnamon Bey Beruwala and Cinnamon Wild Yala were recognised as Winners at the Tripadvisor Travellers' Choice Awards 2025.
- Cinnamon Citadel Kandy – Silver for 'Leading Riverfront Hotel/Resort' award.

Received the following awards at SATA 2025:

- Cinnamon Lodge Habarana – Gold for 'Leading Eco-Friendly Hotel/Resort' award.
- Cinnamon Wild Yala – Gold for 'Leading Wildlife Tented Lodge Hotel/Resort' award.
- Cinnamon Bentota Beach - Signature Selection – Silver for 'Leading Designer Resort/Hotel' award.

Value delivered to colleagues

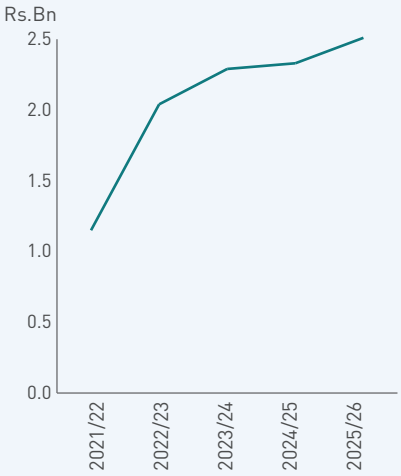
2,372 (+3.6%)

Colleagues

20.6%

Female representation compared to an industry average of 10%

Sri Lankan Cluster - Payments to colleagues





Performance overview

The Sri Lankan Resort Cluster delivered a strong performance in 2025/26. Revenue rose by 17%, underpinned by a 4.2% increase in RevPAR, reflecting the Cluster's strategic efforts to drive growth. Beach Resorts recorded healthy RevPAR growth of 19%, as shifts in traveller preferences towards coastal travel following Cyclone Ditwah offset the decline in arrivals from Russia, its key source market. Round-trip Resort RevPAR also increased by 1%, reflecting the Cluster's strategic focus on delivering differentiated guest propositions through destination-led experiences

The Cluster retained its focus on delivering luxurious, personalised guest experiences that celebrated Sri Lanka's rich heritage and natural beauty. This entailed holistic destination-led value propositions across culture, nature, and cuisine underpinned by superior service standards and luxurious accommodations. Several curated culinary experiences were introduced across our properties in 2025/26, while we also leveraged the unique expertise of Cinnamon Nature Trails to offer guests curated nature and wildlife adventure experiences. Cinnamon Bentota Beach – Signature Selection, the Cluster's premium proposition, continued to offer guests thoughtfully curated premium experiences, enabling above-industry Average Daily Rates. The Cluster also strengthened its MIC and wedding propositions to capitalise on emerging opportunities in these segments. The Cluster's relentless focus on exceeding guest expectations translated into high levels of guest satisfaction as reflected in an improved Net Promoter Score of 65.7 in 2025/26.

The Cluster's total assets increased by 1.9% to Rs. 28 billion as at end-March 2026. The Sector's capital investments amounted to Rs. 825 million and reflected value enhancement at properties and the Heart of the House. This included upgrading 25% of the room inventory at Cinnamon Bey Beruwela. Aligned with its asset-light growth strategy, the Group divested its stake in Kandy Walk Inn Ltd (KWIL), the company owning Cinnamon Citadel Kandy on 31st March 2026 for a consideration of Rs. 2.78 billion.

A diversified channel strategy across travel agents, online travel agents (OTAs), metasearch engines, and its corporate website continued to strengthen brand visibility in key source markets, reduce over-reliance on any single channel, and support improved margin management. During 2025/26, the strategic focus was on strengthening direct guest engagement through digital marketing and a revamped web experience on Brand.com. Cinnamon DISCOVERY was strategically launched to strengthen guest loyalty, increase guest engagement, and position Cinnamon Hotels & Resorts within the Global Hotel Alliance (GHA) DISCOVERY network, one of the world's largest alliances of independent hotel brands. In its first year alone, the programme achieved significant momentum with over 66,000 member enrolments, reflecting strong market acceptance and rapid guest adoption across the portfolio. Notably, 47% of the newly enrolled members were (local) Sri Lankan members, highlighting the programme's strong domestic appeal and its success in positioning Cinnamon as the preferred brand for leisure and resort experiences among local travellers. Through personalised recognition, member-exclusive privileges, and enhanced engagement opportunities, Cinnamon DISCOVERY strengthened customer affinity and encouraged greater brand loyalty across the resort portfolio.

While new brands joining the GHA DISCOVERY alliance typically experience enrolment-driven stays during the initial phase, Cinnamon Hotels & Resorts distinguished itself by successfully converting loyalty contribution into repeat business from the outset. Overall, repeat business accounted for 14% of total loyalty contribution, with Sri Lanka Resorts achieving a strong 16% repeat-business contribution in its first year. In addition, cross-brand contribution (from members of other GHA brands) accounted for 19% of overall loyalty revenues and 17% of loyalty revenues within Sri Lanka Resorts, demonstrating the value of the global alliance network in driving incremental guest traffic and expanding brand reach. Collectively, these results contributed to revenue performance exceeding projections and reinforced Cinnamon DISCOVERY as a key commercial and customer-retention platform.

Advanced data analytics capabilities and use-case implementation continue to strengthen the sustainability of our operations at Beach Resorts. Use cases were implemented to reduce menu costs and energy consumption, thereby reducing food waste and energy use across Beach Resorts. We also engaged with local communities to improve economic opportunities (Please refer to Prosperity on page 108 for more information).

Strengthening our colleague value proposition and building talent pipelines remained a key focus in 2025/26 This involved the development of 'CARE', our enhanced colleague value proposition and focused strategies to develop the managerial capabilities of our team (Please refer People on page 61 for more information). Notably, female representation within the Cluster also increased to 20.6%, which stood significantly above the industry average of 10%.

Outlook

While the conflict in the Middle East has disrupted global air connectivity and dampened global travel demand, the underlying prospects for Sri Lanka's tourism industry remain solid. While we remain cautiously optimistic that the cessation of the conflict will restore growth momentum in the travel industry, we have already implemented strategic interventions to build brand presence in previously untapped markets, strengthen our presence in India, given its proximity to Sri Lanka and drive domestic demand to strengthen resilience.

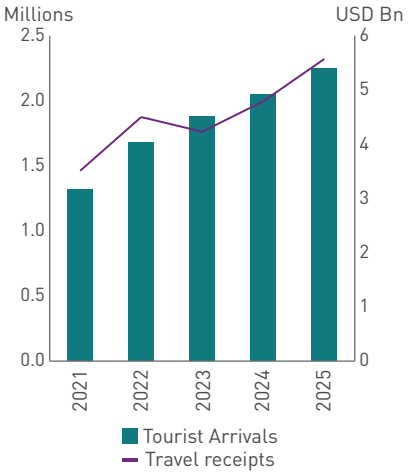
Construction of Terminal 2 at Bandaranaike International Airport (BIA) is expected to recommence in CY2026, following the completion of bid evaluations conducted with support from the Japan International Cooperation Agency (JICA). In parallel with the planned restart, the airport is implementing several upgrades, including automated immigration e-gates, enhanced passenger facilities, and improvements to baggage handling systems. These initiatives aim to improve operational efficiency and support continued growth in tourist arrivals. Once completed, Terminal 2 will increase BIA's annual passenger handling capacity to more than 15 million passengers.

The Sri Lanka Resorts portfolio is being evaluated based on each property's intended positioning. Cinnamon Wild Yala is the primary focus, undergoing a phased refurbishment, including luxury chalets, a clubhouse, and a spa, to elevate it to Cinnamon Signature Selection, with operations expected to resume by Q4 2026/27. Looking ahead, priorities remain centered on destination-led guest experiences, channel optimisation, an asset-light model, talent development, technology adoption, and environmental and community commitments.

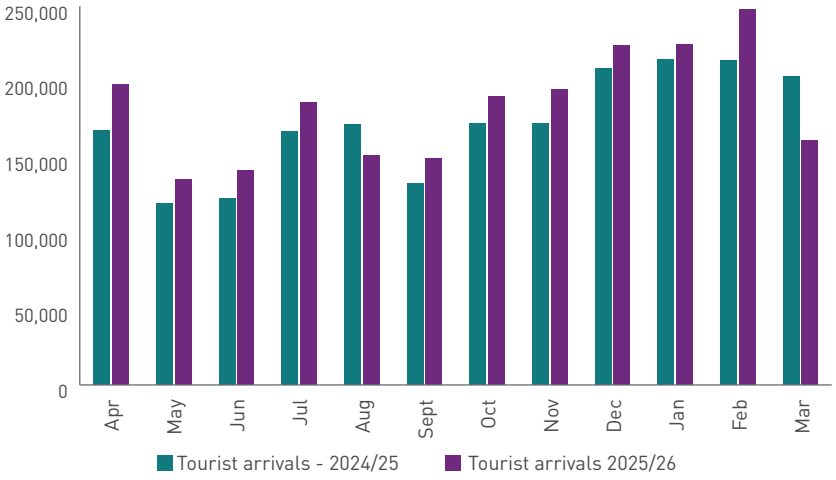
MALDIVIAN RESORT CLUSTER

Operating context

Tourism Sector Performance



Tourist arrivals - monthly



Source: MMA Statistics Database

Tourist arrivals to the Maldives increased by 9.8% to reach 2.25 million visitors in 2025. China remained the dominant source market for tourists in 2025, followed by the Russian Federation and the United Kingdom.

Key Source Markets - 2025 vs 2024
Top 10 international source markets by visitor arrivals

	Market	2025	2024	YoY Change
1	China	329,110	263,340	+24.9%
2	Russian Federation	225,204	278,761	-19.2%
3	United Kingdom	202,172	181,645	+11.3%
4	Germany	167,822	157,246	+6.7%
5	Italy	153,414	145,672	+5.3%
6	India	131,625	130,805	+0.6%
7	United States of America	66,443	69,620	-4.6%
8	France	58,078	54,637	+6.3%
9	Spain	55,489	47,835	+16.0%
10	Switzerland	43,029	41,062	+4.8%

PERFORMANCE

7.0 nights
Average Duration of Stay
2024- 7.4 night (-0.4 night)

64.377
Total beds in Operation
2024- 61,750 (+4.3%)

58.3%
Occupancy Rate
2024- 59.0% - (-07%)

Source: Ministry of Tourism and Environment

In July 2025, the Maldives opened the new terminal at the Velana International Airport. Terminal 2 has expanded the airport's annual capacity to over 7 million passengers while significantly improving inter-island connectivity, passenger convenience and operational efficiency.

The Maldives' unique geography, rich marine diversity, iconic one-island-one-resort concept, and luxurious resorts continue to position it among the highest-rate-yielding markets in the Asia-Pacific region. However, competition has intensified in recent years as the number of operational resorts has increased from 91 in 2020 to 175 in 2025. Moreover, affordable, community-based accommodation on inhabited islands has increased in line with government efforts to attract a broader range of tourists.

Sustainable tourism forms the core of the Maldives tourism strategy, with 15 sustainability-linked goals and action plans articulated across employees, the community, customers, and the environment to strengthen the industry's long-term resilience.

The regulatory framework remained broadly unchanged during 2025/26, except for an increase in the Tourism Goods and Services Tax (TGST) from 16% to 17% with effect from July 2025. Other tourism-related levies, including Departure Tax, Airport Development Tax, and Green Tax, remained unchanged compared to the previous year. Furthermore, regulations on foreign exchange management, which came into effect under the Foreign Currency Bill from 1st October 2024, amended on 1st January 2025, continued into 2025/26 and required all resorts to exchange USD 500 per tourist per arrival or 20% of gross monthly sales with banks.

Maldivian economic performance

The Maldives' economy expanded by 5.4% in 2025, driven by growth in the transportation and communications sector, as well as positive contributions from tourism and public administration. The tourism sector remained the main contributor to GDP, accounting for approximately 22%- 25% in 2025.

Inflation, as measured by the annual percentage change in the national CCPI, stood at -1.7% in March 2026.

While the current account deficit narrowed to 6.2% of GDP in 2025 and gross official reserves improved to USD 1.3 billion as of end-March 2026, the Maldives' external sector remained under pressure given significant near-term external debt service obligations and the implications of the prevailing situation in the Middle East for its tourism industry.

Opportunities	Risks
• Consistent positioning as a preferred tourist destination. • Government focus on strengthening the tourism industry. • Technology to drive personalised guest experiences and operational efficiencies.	• Geopolitical dynamics. • Disruptions to air connectivity. • Changes in government policy. • Intensifying competition. • Shortage of skilled labour. • Implications of climate change. • Increase in fuel prices.

Performance review

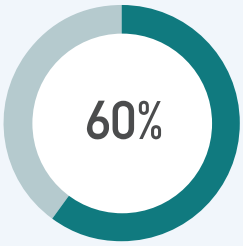
Maldivian Cluster Performance Highlights

Rs. 19.2 Bn (+6%)
Revenue in 2025/26

Rs. 5.7 Bn (+9%)
EBITDA in 2025/26

Contribution to group performance

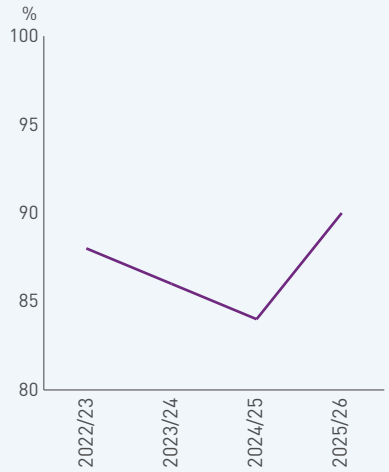
Group Revenue in 2025/26



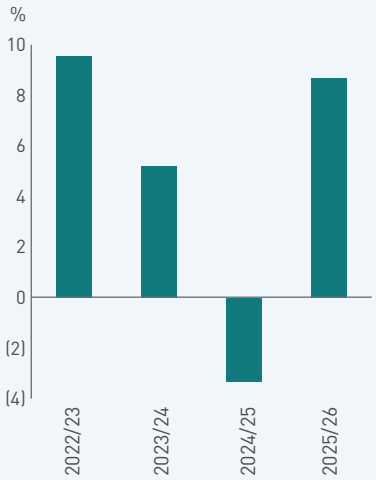
Performance trends (Rs. Bn.)



Maldivian Cluster - Occupancy trends



RevPAR growth





Awards

- SATA Awards - Cinnamon Dhonveli Maldives – Leading surf resort, Cinnamon Velifushi – Leading beach resort in South Asia
- Booking.com Traveller Awards - Cinnamon Dhonveli Maldives, Cinnamon Velifushi Maldives
- HolidayCheck Awards 2026- Ellaidhoo Maldives by Cinnamon
- TUI_GHA25_Certificate- Cinnamon Dhonveli Maldives
- TUI Global Hotel Awards 2025- Cinnamon Hakuraa Huraa Maldives – Ranked among the top 100 hotels
- TTM Awards 2025 by Travel Trade Maldives Cinnamon Hakuraa Huraa - Best Adults Only Resort

Value delivered to colleagues

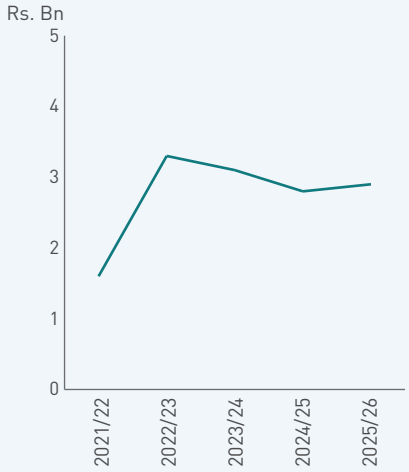
668 (+2.3%)

Colleagues

19.3%

Female representation

Maldivian Cluster - Payments to colleagues



Minimising our environmental impacts

8.5%/RN

Renewable energy reliance

8.2%/RN

Reduction In energy consumption

1.4%/RN

Reduction In food waste

20.9%/RN

Reduction in plastic consumption

Performance overview

Revenue of the Maldivian Cluster increased by 6% to Rs. 19.2 Bn in 2025/26 underpinned by healthy tourist arrivals to the Maldives during the year under review and the Cluster's strategic efforts to drive growth amidst intensifying competition. The Cluster recorded a 9% increase in RevPar during 2025/26. Revenue growth and a stringent emphasis on cost management supported a 9% increase in EBITDA to Rs. 5.7 Bn in 2025/26. The Sector's post-tax profits increased to Rs. 214 Mn in 2025/26 from a loss of Rs. 247 Mn in the previous year.

Our portfolio of resorts in the Maldives leverages unique location-based value propositions to offer differentiated, personalised guest experiences. Cinnamon Dhonveli remained popular among the surfer community, given its proximity to Pasta Point, one of the world's most famous surfing destinations, while Ellaidhoo Maldives by Cinnamon offered guests unrivalled diving and snorkelling experiences, given its proximity to one of the Maldives' best house reefs. Cinnamon Velifushi's beautiful Italian architecture and personalised guest experiences continued to attract guests seeking intimate experiences, while Cinnamon Hakuraa Huraa Maldives leveraged its unique position beside one of the longest stretches of lagoon in the Maldives to offer guests curated marine excursions that celebrated its rich marine biodiversity. The unique characteristics of each location, alongside exceptional service and luxurious accommodations, have supported high levels of guest satisfaction, as reflected in a Net Promoter Score of 77.72 in 2025/26.

In line with its strategic focus on optimising its asset portfolio to drive RevPAR growth, the Cluster upgraded Cinnamon Hakuraa Huraa Maldives to five-star status during 2025/26. This included the introduction of a new beach restaurant and one additional bars, alongside operational upgrades to facilitate intimate dining concepts, premium entertainment plans, air connectivity to Male and elevated service standards. The property was also strategically re-positioned as an adults-only resort, enabling entry into a highly niche, premium market segment.

Our channel strategy in the Maldives focused on strengthening mutually beneficial, long-term partnerships with travel agents in strategic markets while driving direct guest engagement through online travel agencies and Brand.com. Building on the overall success of Cinnamon DISCOVERY, the Maldives Resorts segment also demonstrated strong early performance through leveraging the alliance's international reach and access to high-value global travellers. Cinnamon Maldives Resorts benefited from increased brand visibility, enhanced loyalty recognition experiences, and growth in direct member bookings within the luxury travel segment. Within the Maldives Resorts segment, repeat business accounted for 7.5% of the total loyalty contribution generated through Cinnamon DISCOVERY during its first year — a noteworthy achievement for a newly launched loyalty programme operating within a highly competitive luxury resort market. In addition, cross-brand contributions from members of other GHA DISCOVERY brands accounted for 17% of loyalty revenues in the Maldives segment, highlighting the strength of the alliance in driving international guest acquisition and incremental stays.

Ongoing commitment to responsible business operations encompassed a strong focus on minimising our environmental footprint and impactful community engagement. Approximately 3.57% of the Cluster's energy needs are met by renewable energy sources at present, while consistent emphasis on reducing single-use plastic consumption has led to an over-82% reduction in its use as of end-March 2026. All properties operate wastewater treatment plants enabling recycling and reuse for gardening and sanitary systems (Please refer Planet on page 80 for more information). The Cluster also engaged in impactful initiatives that empowered local communities (Please refer Prosperity on page 108 for more information).

Outlook

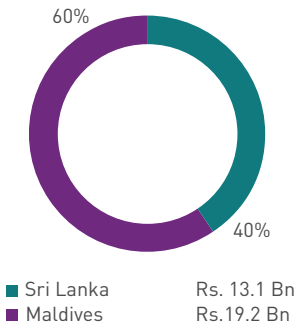
Disruptions and uncertainties arising from the conflict in the Middle East are expected to temper performance in 2026/27. Despite these challenges, we remain committed to implementing strategic interventions that will sustain value creation. This includes strengthening our brand position in new and high-potential markets with a specific focus on India, given its proximity to the Maldives and substantial outbound travel demand. Strengthening the sustainability of our operations will also be a key focus in 2026/27. The Sector intends to transition the operations of Cinnamon Hakuraa Huraa Maldives to 100% reliance on renewable energy in the year ahead, through a partnership with a marine floating solar developer in the Maldives.

FINANCE REVIEW

STRONG TOP-LINE GROWTH

The Group delivered revenue of Rs. 32.3 Bn in 2025/26, representing a 10% year-on-year increase, driven by strong recovery momentum across both the Sri Lankan and Maldivian resort clusters. This performance marks a notable turnaround from the 5% decline recorded in 2024/25, which was impacted by pricing pressures in the Maldives and a sharp appreciation of the Sri Lankan Rupee against the US Dollar.

Revenue



Sri Lanka revenue grew **+17.0%** YoY to **Rs. 13.1 Bn**. Maldives grew **+5.9%** to **Rs. 19.2 Bn** - a turnaround from FY25's RevPAR decline.

Sri Lanka Resorts

Rs. 13.1 Bn
Revenue (+17%)

Rs. 3.3 Bn
Recurring EBITDA (+44%)

USD 67.1
RevPAR (+4.2%)

66.9%
Occupancy (+2.9PTS)

Maldives Resorts

Rs. 19.2 Bn
Revenue (+6%)

Rs. 5.7 Bn
Recurring EBITDA (+9%)

USD 247.3
RevPAR (+9.1%)

89.6%
Occupancy (+6.6PTS)

Sri Lanka's tourism sector sustained its strong growth trajectory, with total visitor arrivals increasing by 15.1% to 2.36 million, supported by record-breaking monthly arrivals in February 2026. This momentum translated into robust occupancy growth across all four quarters, underpinning the performance of the Sri Lankan resorts cluster.

The Cinnamon brand's strategic focus on yield management and expansion of direct booking channels contributed significantly to improvements in RevPAR, while operational efficiencies and disciplined cost management further enhanced overall financial performance. Accordingly, RevPAR increased by 4.2% (2024/25: 18%), driven by higher occupancy of 66.9% (2024/25: 65.0%) and an improved Average Daily Rate (ADR) of USD 100.3 (2024/25: USD 97.0).

Meanwhile, the Maldives resort sector reported revenue of Rs. 19,221 Mn, reflecting a 5.9% year-on-year increase, supported by a 9.1% year-on-year increase in RevPAR. Occupancy levels strengthened significantly to 89.6% (2024/25: 84.0%), alongside a marginal increase in ADR to USD 276.1 (2024/25: USD 271.0). This strong performance was driven by increased demand across key atolls, higher direct bookings, and enhanced yield management strategies.

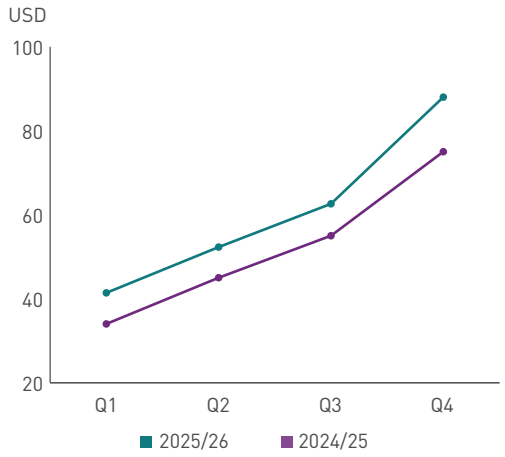
Rs. 32.3 Bn
Group Revenue
10% YoY
VS Rs. 29.3 Bn in 2024/25

Rs. 13.1 Bn
Sri Lanka Revenue
17% YoY
VS Rs. 11.2 Bn in 2024/25

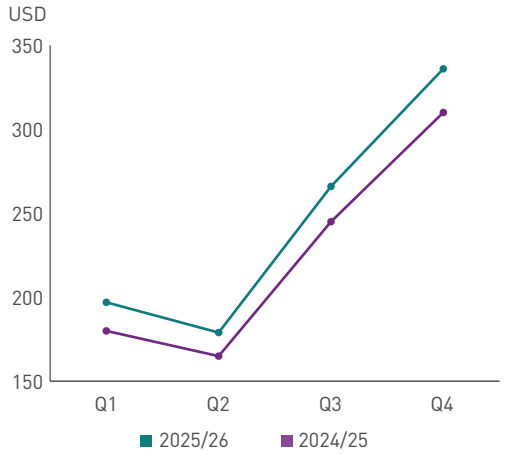
Rs. 19.2 Bn
Maldives Revenue
6% YoY
VS Rs. 18.2 Bn in 2024/25

64.5%
Gross Profit Margin
10% YoY
Cost discipline maintained

Sri Lanka Cluster - RevPAR



Maldives Cluster - RevPAR



EBITDA

The Group delivered a record EBITDA of Rs. 10.1 Bn in 2025/26, reflecting a 35% year-on-year increase from Rs. 7.5 Bn in the prior year, marking the strongest EBITDA performance in its recent history. This growth was driven by robust RevPAR expansion across both Sri Lankan and Maldivian clusters, enhanced operating leverage, and disciplined cost management under the "Fit for Purpose" framework.

On a recurring basis, excluding the one-off gain of Rs. 1,139 Mn from the disposal of a subsidiary within the Sri Lanka cluster, recurring EBITDA of the Group amounted to Rs. 8,947 Mn, representing a 19.3% increase year-on-year, reflecting the underlying strength and sustainability of earnings.

The Group also achieved a significant turnaround in profitability, reporting a net profit of Rs. 1.95 Bn compared to a net loss of Rs. 223 Mn in 2024/25. Consequently, earnings per share improved to Rs. 1.33, reversing from a loss of Rs. 0.16 per share in the previous year.

+35%
EBITDA

Sri Lanka

The Sri Lanka resorts cluster recorded a substantial increase in EBITDA, rising from Rs. 2,276 Mn in 2024/25 to Rs. 3,274 Mn in 2025/26 on a recurring basis, representing 44% year-on-year growth. Consequently, the EBITDA margin expanded significantly to 25%, compared to 20% in the prior year.

This strong performance was driven by robust revenue growth and improved gross profit margins, supported by effective cost management initiatives, easing food inflation, and continued focus on waste reduction.

Maldives

The Maldives resorts cluster reported a moderate increase in EBITDA, rising from Rs. 5,226 Mn in 2024/25 to Rs. 5,673 Mn in 2025/26, reflecting a growth of 8.6%. The EBITDA margin improved to 29.5%, compared to 28.8% in the previous year.

The improvement was primarily driven by higher RevPAR and improved occupancy levels across the Maldives resorts, which supported revenue growth. This positive revenue momentum more than offset cost pressures, resulting in sustained profitability and margin expansion within the cluster.

FINANCE COSTS

Sri Lanka

The Sri Lanka resorts sector recorded a significant reduction in finance costs, declining by 15.3% year-on-year to Rs. 747 Mn (2024/25: Rs. 883 Mn). Despite an increase in the AWPLR to 9.39% from 8.44%, the impact on borrowing costs was effectively mitigated through the Group's proactive debt management and refinancing strategies.

This improvement was primarily driven by continued debt repayments and the reduced utilisation of overdraft facilities, which collectively supported a more efficient funding structure and helped optimise the overall cost of borrowing amid rising benchmark lending rates.

Maldives

Finance costs in the Maldives declined by 4.0% year-on-year to Rs. 1,642 Mn (2024/25: Rs. 1,711 Mn). The reduction was largely attributable to the repayment of long-term borrowings and a further easing in the average SOFR during the year.

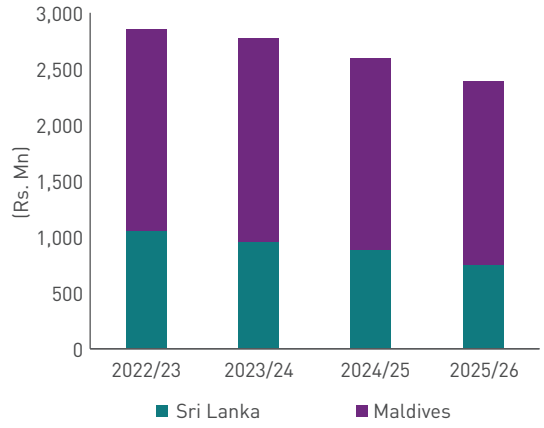
Average SOFR decreased from 4.41% to approximately 3.68%, providing meaningful relief on USD-denominated borrowings and contributing to the overall reduction in finance costs within the cluster.

Group Performance

At the Group level, total finance costs decreased by 7.9% to Rs. 2,389 Mn (2024/25: Rs. 2,594 Mn), reflecting the combined benefits of disciplined debt reduction and effective treasury management across both Sri Lankan and Maldivian operations.

Finance Cost Trend

Sri Lanka vs Maldives (Rs. Mn)



FAIR VALUE GAINS

On Investment Properties

The Group engaged a Chartered Valuer to value the investment property portfolio as of 31 December 2025. Accordingly, a net gain of Rs. 375 Mn (2024/25 – Rs. 75 Mn) from fair value remeasurement was recognised in the Income Statement. The significant increase in the fair value gain reflects improved market valuations and the income-generating potential of the Group's investment properties.

On land and buildings

The Group employed a Chartered Valuer to value land and buildings in Sri Lanka. All properties were valued using the income approach and the comparable market approach. A net gain from the revaluation of land and buildings in the Group of Rs. 821 Mn in 2026 (2025 – Rs. 982 Mn) was recognised in Other Comprehensive Income (OCI).

TAXATION

The Group recorded a profit before tax of Rs. 2,946 Mn and a tax charge of Rs. 996 Mn, resulting in an Effective Tax Rate (ETR) of 34%. The Sri Lankan and Maldivian operations recorded ETRs of 34% and 28%, respectively, both of which differed from the applicable statutory rates due to the following factors.

In Sri Lanka, capital gains tax charge of Rs. 368 Mn recognised by John Keells Hotels PLC on the disposal of its shareholding in Kandy Walk Inn Ltd (owner of Cinnamon Citadel Kandy). Additionally, the ETR was affected by exempt dividend income and non-creditable withholding tax on inter-company dividends. The group reinstated deferred tax assets of Rs. 100.2 Mn related to tax losses, supported by improved performance and a revised outlook.

In the Maldives, the ETR was impacted by a permanent disallowance of capital allowances based on the remaining lease period, resulting in a tax impact of Rs. 49.5 Mn. There was also a disallowance of interest expenses on loans exceeding 6%, which had a tax impact of Rs. 15.3 million.

The Group adheres to a transparent and fully compliant approach to taxation, aligning its practices with business strategy, governance standards, and ESG principles, while ensuring compliance with all applicable tax regulations in the jurisdictions where it operates.

BALANCE SHEET OVERVIEW

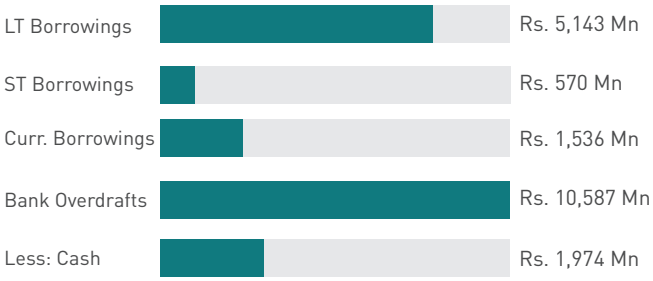
Net Debt

Positive cash flow from operations and active debt management during the year resulted in a significant decline in the Group's net debt position. The Group's net debt (excluding lease liabilities) reduced by Rs. 3,352 Mn (17.4 per cent) to Rs. 15.9 Bn, from Rs. 19.2 Bn in the prior year.

Net Debt Position (Rs. 000's)	
Cash & Short-term Investments	1,974,417
Interest-Bearing Borrowings	(6,679,112)
Short-Term Borrowings	(570,000)
Bank Overdrafts	(10,587,354)
Net Debt (excl. Leases)	(15,862,049)
Lease Liabilities	(16,727,308)
Net Debt (incl. Leases)	(32,589,357)

Net Debt Components

March 2026 vs March 2025

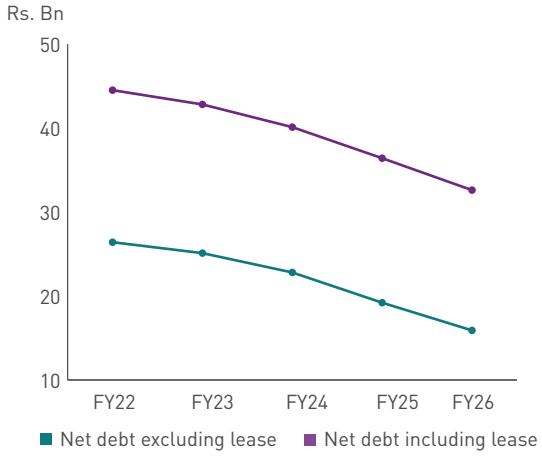


15.9 Bn
Net Debt
↓ Rs.3.4 Bn

0.51x
D/E Ratio
↓ from 0.67x

1.58x
Interest Cover
↑ from 1.09x

Net Debt Reduction Journey (Rs. Bn)



TOTAL ASSETS

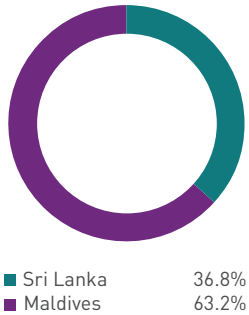
The Group's total assets amounted to Rs. 77,640 Mn, remaining broadly in line with Rs. 77,663 Mn reported as at 31 March 2025. During the year, capital expenditure of Rs. 1,675 Mn was incurred, primarily directed towards property, plant and equipment across both the Sri Lankan and Maldivian clusters.

Depreciation charges totalled Rs. 4.7 Bn, comprising Rs. 2,493 Mn on property, plant and equipment and Rs. 2,214 Mn on right-of-use assets. Notwithstanding these significant depreciation charges, the Group preserved its asset base through proactive capital investments and periodic property revaluations.

The Maldivian cluster continued to represent the largest share of the Group's asset base, accounting for 63% of total assets (2024/25: 64%).

Total assets by Segment

As at 31 March



DIVESTMENT OF KANDY WALK INN LIMITED

In line with the company's asset-light strategy, John Keells Hotels PLC disposed of 98.39% of its equity interest, comprising 6,165,484 ordinary shares in Kandy Walk Inn Limited, for a total consideration of Rs. 2,777 Mn. The Group recorded a gain of Rs 1,139 Mn at a consolidated level. whilst the Company recognised a gain of Rs. 2,344 Mn.

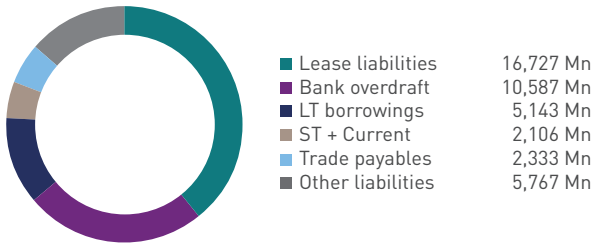
LIABILITIES

The Group reported total liabilities of Rs. 42,663 Mn at the end of 2025/26, down Rs. 3,417 Mn from Rs. 46,080 Mn at the end of 2024/25. This reduction reflects disciplined debt servicing across both clusters, including net repayments of long-term borrowings and the reduction in overdraft balances.

The Maldives sector accounted for 73 per cent (2024/25: 71 per cent) of total liabilities at the end of FY 2025/26, largely attributable to lease liabilities associated with long-term resort operating leases in the Maldives.

Liability Structure

Rs. 42.7 Bn Total liabilities - March 2026



Lease liabilities **(Rs. 16.7 Bn, 39%)** dominate - primarily on account of Maldives resort leases. Total interest-bearing debt reduced by **Rs. 1.3 Bn** YoY.

Off-Balance Sheet Arrangements

As of 31 March 2026, the Group had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material impact on the Group's financial condition, revenues, expenses, results of operations, liquidity, capital expenditures, or capital resources.

CONTINGENT LIABILITIES

Contingent liabilities include income tax assessments amounting to Rs 37.1Mn details of which are given under Note 43 to the Financial statements.

Capital Position

Total equity strengthened significantly to Rs. 35.0 Bn (+10.7% YoY), reflecting the return to profitability, OCI gains from property revaluation, and favourable forex translation. The debt-to-equity ratio improved to 0.51x from 0.67x.

MANAGEMENT'S OUTLOOK

Sri Lanka and the Maldives' tourism sectors experienced a sharp but short-lived disruption in March 2026, driven primarily by aviation disruptions linked to the escalation of conflict in the Middle East. These disruptions affected passenger flows through major Gulf transit hubs, resulting in a temporary decline in arrivals from long haul markets. While arrival volumes remained subdued in early April, emerging indicators suggest that the initial shock has begun to stabilise, with airlines progressively adapting routes and travellers adjusting booking behaviour. Importantly, the disruption has been logistics driven rather than destination-specific, with no deterioration in underlying attractiveness or safety perception as tourism destinations.

In 2026, John Keells Hotels PLC remains confident in sustained growth, driven by rising global travel demand and strategic initiatives across key markets. The Group's hotel portfolio continues to perform strongly, with on-the-book values and forward occupancy for the first quarter of FY 2026/27 tracking in line with the prior year.

Integrating Sustainability

Sustainability remains core to our strategy. We are advancing people development, environmental conservation and strong corporate governance to drive responsible and long-term growth. Sustainable business practices are embedded across our operations, reinforcing our commitment to ESG excellence.

Growing Direct/Online Channel Performances

We continue to focus on growing traffic to our website (www.cinnamonhotels.com) and promoting Cinnamon DISCOVERY, our loyalty programme, as key levers to improve direct booking share and reduce dependence on intermediary channels.

Maximising Profitability

We are enhancing profitability through our asset-light business model, growth in direct sales channels and maintaining an optimum debt level. Strengthened financial discipline has lowered interest costs, improving financial flexibility for high-return growth initiatives across both clusters.

INVESTOR INFORMATION

John Keells Hotels PLC aims to be an attractive investment for shareholders and to provide competitive returns.

We are committed to serving all our shareholders and potential investors by providing accurate, comprehensive, and timely information. Our policy is to treat all stakeholders equally, including analysts, banks, institutional investors, and private shareholders. All information that may be important and relevant to Sri Lankan and international markets is provided through releases to the Colombo Stock Exchange (CSE).

COMMON SHARE DATA

	Q1	Q2	Q3	Q4
Basic earnings per share (Rs.)	(0.52)	(0.48)	0.52	1.80
Average number of shares outstanding	1,456,146,780	1,456,146,780	1,456,146,780	1,456,146,780
Closing share price (Rs.)	21.40	26.90	22.90	16.20
Market capitalisation (Rs.)	31,161,541,092	39,170,348,382	33,345,761,262	23,589,577,836

DISTRIBUTION OF SHAREHOLDERS

There were 10,713 registered shareholders as at 31 March 2026 (8,120 as at 31 March 2025) distributed as follows:

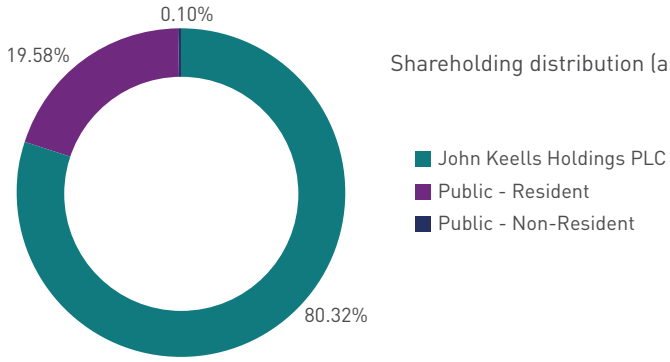
No. of shares held	As at 31 March 2026				As at 31 March 2025			
	No. of Shareholders	%	No. of Shares held	%	No. of Shareholders	%	No. of Shares held	%
1 to 1,000	6,257	58.41	2,079,441	0.14	4,735	58.31	1,590,536	0.11
1,001 to 10,000	3,226	30.11	12,349,718	0.85	2,336	28.77	9,121,485	0.63
10,001 to 100,000	1033	9.64	31,942,335	2.19	865	10.65	27,495,970	1.89
100,001 to 1,000,000	176	1.64	53,047,976	3.64	158	1.95	50,897,238	3.50
Over 1,000,000	21	0.20	1,356,727,310	93.17	26	0.32	1,367,041,551	93.87
Total	10,713	100.00	1,456,146,780	100.00	8,120	100.00	1,456,146,780	100.00

COMPOSITION OF SHAREHOLDERS

No. of shares held	As at 31 March 2026			As at 31 March 2025		
	No. of Shareholders	No. of Shares held	%	No. of Shareholders	No. of Shares held	%
John Keells Holdings PLC	1	1,169,598,478	80.32	1	1,169,598,478	80.32
Public - Resident						
Institutions	329	195,028,217	13.39	282	193,431,577	13.28
Individuals	10,323	90,155,584	6.19	7,774	90,064,932	6.19
Public - Non-Resident						
Institutions	3	370,173	0.03	7	2,038,385	0.14
Individuals	57	994,328	0.07	56	1,013,408	0.07
Total	10,713	1,456,146,780	100	8,120	1,456,146,780	100

The percentage of the shares of the Company held by the Public as at 31 March 2026 was 19.24% (31 March 2025 - 19.68%).

INVESTOR INFORMATION



DIRECTORS AND SPOUSES SHAREHOLDINGS

As at 31 March	No. of shares held	
	2026	2025
K N J Balendra - Chairperson	Nil	Nil
J G A Cooray	Nil	Nil
S Rajendra*	N/A	Nil
M R Svensson**	N/A	Nil
M H Singhawansa	Nil	Nil
N N Mawilmada***	Nil	N/A
H Premaratne	Nil	Nil
K A Gunasekera	Nil	Nil
A Goonetilleke	Nil	Nil
A K Moonasinghe****	N/A	Nil

*Resigned w.e.f 31.12.2025
** Resigned w.e.f 31.08.2025
*** Appointed w.e.f 08.09.2025
**** Resigned w.e.f 01.04.2025

MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

	2025/26	Date	2024/25	Date
Share Information				
Highest price (Rs.)	27.40	26-09-2025	25.50	27-01-2025
Lowest price (Rs.)	16.00	31-03-2026	14.50	11-09-2024
As at period end (Rs.)	16.20	31-03-2026	20.20	31-03-2025
Trading Statistics				
Number of transactions	38,142		28,607	
Number of shares traded	208,299,830		124,271,395	
Shares traded as a % of total shares in issue	14.30		8.53	
Value of all shares traded (Rs.)	4,660,656,439		2,413,202,293	
Average daily turnover (Rs.)	19,258,911		10,097,081	
Market capitalisation (Rs.)	23,589,577,836		29,414,164,956	
Float Adjusted Market Capitalisation (Rs.)	4,537,619,012		5,788,275,700	

TOP TWENTY-FIVE SHAREHOLDERS OF THE COMPANY

As at		31.03.2026		31.03.2025	
		No. of Shares	%	No. of Shares	%
1	John Keells Holdings PLC	1,169,598,478	80.32	1,169,598,478	80.32
2	Employees Provident Fund	78,474,454	5.39	78,474,454	5.39
3	Sri Lanka Insurance Corporation Ltd - Life Fund	34,214,354	2.35	47,159,333	3.24
4	Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund	11,615,099	0.80	Nil	Nil
5	Mr K D H Perera	10,881,723	0.75	7,534,139	0.52
6	DFCC Bank PLC A/C 2	7,999,113	0.55	3,500,000	0.24
7	People's Leasing & Finance PLC/Mr L P Hapangama	7,104,001	0.49	7,104,001	0.49
8	People's Leasing & Finance PLC/Mr D M P Disanayake	5,563,314	0.38	4,567,034	0.31
9	Union Assurance PLC-Universal Life Fund	5,401,788	0.37	Nil	Nil
10	DFCC Bank PLC A/C 1	5,258,686	0.36	5,258,686	0.36
11	Invenco Capital Private Limited	3,395,464	0.23	4,547,102	0.31
12	Mr R T Jinasena	2,516,765	0.17	2,516,765	0.17
13	Mr K D A Perera	2,195,027	0.15	2,195,027	0.15
14	Mr S R Perera	2,087,676	0.14	2,087,676	0.14
15	Senkadagala Finance PLC/R S H Nanayakkara & R M Nanayakkara	2,000,000	0.14	Nil	Nil
16	Lynear Wealth Management/Mr Hanif Yusoof	1,791,879	0.12	Nil	Nil
17	Mr D N P Rathnayake	1,650,000	0.11	Nil	Nil
18	Mr A A V Amerasinghe	1,287,800	0.09	1,287,800	0.09
19	Mr C N H Liyanage	1,250,000	0.09	1,250,000	0.09
20	Mrs R P Jinasena	1,222,815	0.08	1,222,815	0.08
21	People's Leasing & Finance PLC/Mr C M Dissanayake	1,218,874	0.08	1,261,905	0.09
22	H R S Wijeratne	1,000,000	0.07	1,000,000	0.07
23	Merchant Bank of Sri Lanka & Finance PLC/D Weerasinghe	1,000,000	0.07	1,000,000	0.07
24	Merchant Bank of Sri Lanka & Finance PLC/S A A Buddhika	925,000	0.06	Nil	Nil
25	Bank Of Ceylon No 2 A/C	910,983	0.06	1,160,983	0.08
		1,360,563,293	93.44	1,342,726,198	92.21

CORPORATE GOVERNANCE

Embracing Direction

Sound governance does not follow performance; it enables it. This year, John Keells Hotels PLC strengthened its governance foundations and reinforcing financial oversight through new analytical platforms. Every path we take is navigated with accountability at its core.

In the unhurried grace of water's edge and open sky, true luxury reveals itself as the art of creating spaces where nothing is left to chance and everything is held with intention.



CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

1. EXECUTIVE SUMMARY

John Keells Hotels PLC ("The Company") and its subsidiaries ("Hotels Group") are dedicated to maintaining a corporate governance structure that fosters sustainable and long-term value creation. This is accomplished through strong leadership, accountability, and transparent decision-making processes, ensuring adherence to all applicable laws and regulations and accepted standards of good governance.

Our governance framework closely mirrors that of our parent company, John Keells Holdings PLC ("JKH"). This parallel promotes consistency, enhances operational efficiency, and facilitates the adoption of best practices across the John Keells Group ("JKH Group"), all while remaining rooted in our fundamental principles of accountability, integrity, transparency, and participation.

The Company's governance philosophy is institutionalised across all business units and is further strengthened by the core values of Cinnamon Hotels & Resorts: Greatness, Compassion, Agility, Wellbeing, Inclusion, Trust, and Curiosity. These values define our organisational culture and serve as the compass for our decision-making processes.

The Company operates in a structured, disciplined environment where strategy is set, performance is monitored, and risks are managed. This year, while maintaining robust established controls, the Board focused on improving the clarity and quality of governance disclosures. We aim to demonstrate the Board's active role in providing oversight that supports strategic execution, particularly in navigating macroeconomic conditions and the dynamic operating environment of the hospitality sector.

The Company's governance arrangements include:

- Proactive Compliance: Clearly defined oversight mechanisms and triggers to ensure adherence to mandatory regulatory requirements.
- Continuous Refinement: Ongoing reviews of policies to reflect evolving global best practices and shifting stakeholder expectations.
- Value Creation: A narrative focus on how governance processes contribute directly to long-term stability and growth.
- Reporting and Compliance

This Corporate Governance Report details the key elements of the system, including:

- The principal components of the Company's governance system.
- Mechanisms for monitoring compliance with internal and external policies.
- An outlook on emerging governance challenges within the tourism industry.
- A comprehensive summary of the Company's compliance with statutory requirements and the voluntary adoption of recommended governance codes.

Detailed compliance disclosures are presented in the accompanying tables, providing a transparent view of our commitment to ethical and responsible business conduct.

1.1 Compliance Summary

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007, as amended, including applicable regulations
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Code of Best Practices on Related Party Transactions (2013) issued by the SEC
Sustainability Disclosure Standards include SLFRS S1 and S2
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – complied with to the extent of business exigency and as required by the Hotels Group
Transparency International Sri Lanka assessment criteria on transparency in corporate reporting
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative Standards
SASB disclosures
Internal Mechanisms
Articles of Association
Board Charter and Board Committee Charters
Code of Conduct
Board and internal Policies

1.2 Corporate Governance Highlights for 2025/26

- Pursuant to the adoption of SLFRS S1 and SLFRS S2 – the sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka – the Company undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This included participation in a JKH Group-led initiative, supported by a Global advisory firm, to conduct a comprehensive gap analysis. Based on the outcomes, the Company strengthened its frameworks, processes, and governance structures to support the enhanced disclosure requirements. Further, senior management participated in a series of workshops and working sessions conducted at the JKH Group level to build internal capability and enhance understanding of the standards and their implications for the Company's reporting and governance processes.
- To strengthen governance and strategic oversight, the Company operates under an ESG and Sustainability Steering framework established at the JKH Group level, which provides oversight on sustainability-related impacts, risks, and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). This framework guides the Company's sustainability agenda and ensures alignment with the requirements of SLFRS S1 and SLFRS S2 as the Company progresses towards full implementation.
- The Company enhanced its enterprise governance and control environment through the phased implementation of SAP RISE (S/4HANA), as part of a JKH Group-wide digital transformation initiative. This cloud-based system has strengthened data integrity, enabled real-time performance visibility, improved process standardisation, and enhanced auditability and the effectiveness of internal controls across operations. As part of the migration, the JKH Group conducted a high-level review of the authorisation matrix in which the Company participated to ensure appropriate user access controls, thereby reinforcing system security and operational continuity.
- The Company benefited from strengthened cyber and technology governance practices driven by the JKH Group's adoption of the Zero Trust Security Model. Enhancements included improved identity-based access controls, strengthened network security, and a migration to a Secure Service Edge architecture, thereby enhancing threat detection, monitoring, policy enforcement, and overall cyber resilience of the Company's operations.
- The Company continued to align its data governance practices with the Personal Data Protection Act, No. 09 of 2022 ("PDPA)", in line with JKH Group policies and internationally recognised best practices. The Hotel's Group exercises governance oversight through designated Data Protection Officers and a structured data governance framework, supported by ongoing enhancements to technical, security, and organisational controls to ensure continued compliance.
- The Company strengthened its compliance framework in relation to financial misconduct, in alignment with JKH Group initiatives and applicable regulatory requirements, including guidance issued by the Financial Intelligence Unit of Sri Lanka. This includes enhanced measures relating to Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), and Counter-Proliferation Financing (CPF), recognising their broader regulatory and national importance.
- The Company participated in the annual employee engagement survey conducted across the JKH Group, in partnership with a multinational analytics and advisory firm. Using the globally benchmarked Q12 framework, the survey provided data-driven insights into employee engagement, helping management identify key areas for development and implement targeted action plans to foster a high-performance, inclusive workplace culture.
- During the year under review, the Company was part of Phase 1 of a structured initiative undertaken across the JKH Group to develop and institutionalise an Employee Value Proposition (EVP), with the support of a globally recognised consulting firm. The process included employee surveys, focus group discussions, and leadership consultations, culminating in a defined EVP framework and its supporting pillars. The next phase will focus on embedding and operationalising the EVP across the Company.

1.3 Key Announcements in 2025/26 to the Colombo Stock Exchange

- The Board declared a final dividend of Rs. 0.10 per share in May 2025 in respect of the financial year 2024/25. In view of the continued positive performance momentum of the business, the Board approved a final dividend of Rs. 0.35 per share, declared in May 2026 for the financial year 2025/26. The total dividend outlay amounts to Rs. 509.7 million, representing a significant increase compared to Rs. 145.6 million in the previous year.
- In March 2026, John Keells Hotels PLC divested its entire shareholding in Kandy Walk Inn Limited (KWIL), amounting to 98.39% of KWIL's issued share capital, to Dedigama Group (Private) Limited, a member of the Dedigama Group, for a total consideration of Rs. 2.78 billion.

1.4 Board and Board Committee Changes in 2025/26

- Ms. A K Moonesinghe, Independent Non-Executive Director resigned from the Board on 1 April 2025.
- Mr. M R Svensson and Mr. S Rajendra, both Non-Independent Non-Executive Directors, stepped down from the Board of

Directors of the Company consequent to the completion of their contract of employment with the John Keells Group on 31 August 2025 and 31 December 2025 respectively.

- Mr. N N Mawilmada was appointed to the Board as a Non-Independent Non-Executive Director of the Company with effect from 8 September 2025.

1.5 Highlights of the 46th Annual General Meeting Held on 26 June 2025

- Mr. J G A Cooray, who retired in terms of Article 83 of the Articles of Association of the Company, was re- elected as a Non-Independent Non- Executive Director of the Company.
- Mr. M H Singhawansa, who retired in terms of Article 83 of the Articles of Association of the Company, was re- elected as a Non-Independent Non- Executive Director of the Company.
- Ms. A Goonetilleke, who retired in terms of Article 90 of the Articles of Association of the Company, was re-elected as an Independent Non- Executive Director of the Company.
- Messrs. Ernst & Young (E&Y) was re-appointed as the External Auditors of the Company, and the Directors were authorised to determine the remuneration of E&Y.

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GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

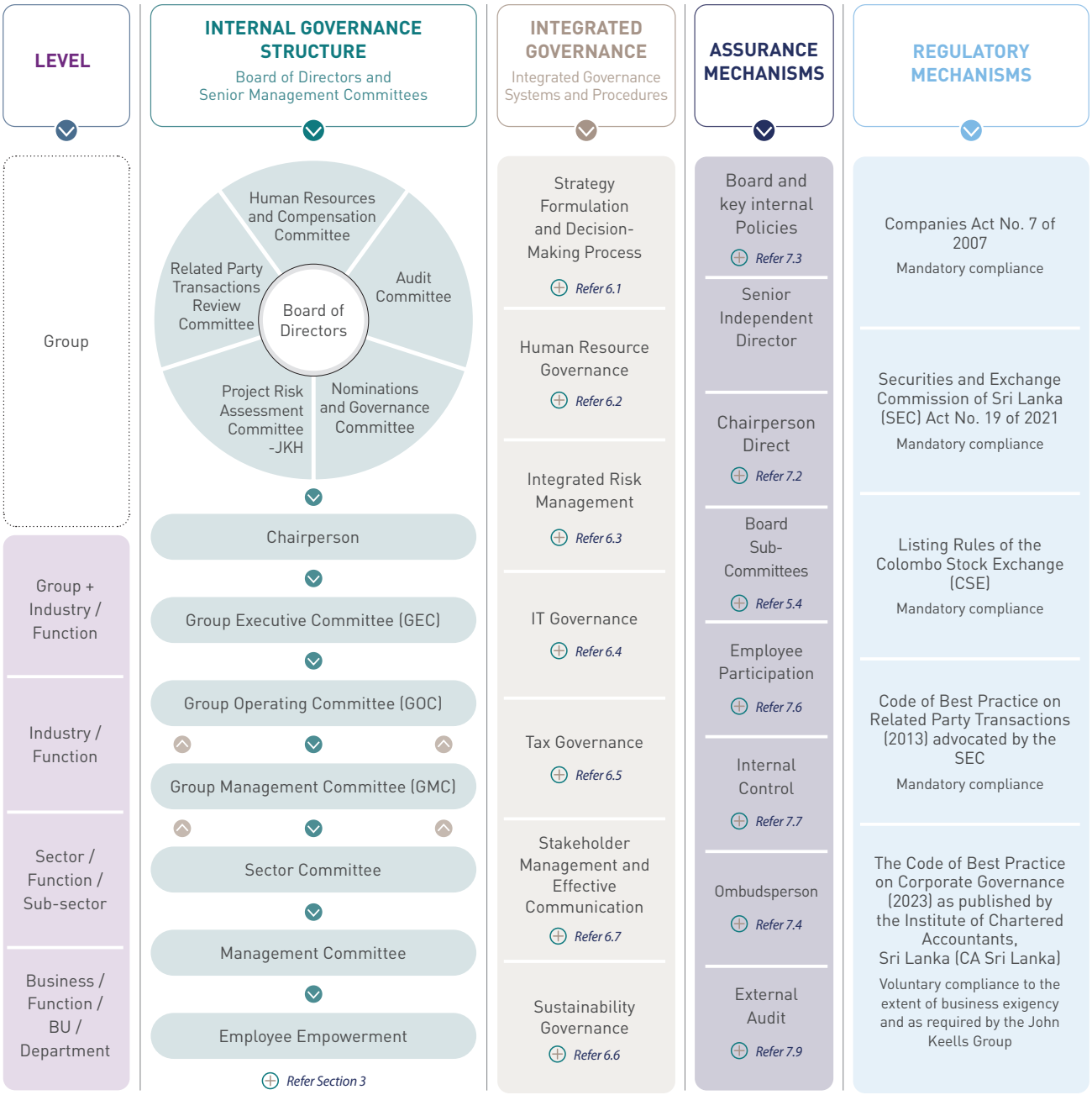
Board Diversity
Board Independence
Anti-Fraud, Anti-Corruption and Anti-Bribery
Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects
Continued Strengthening of Internal Controls
Digital Oversight and Cyber Security
Data Protection, Information Management and Adoption
Greater Employee Involvement in Governance
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COMPLIANCE SUMMARY

Statement of Compliance pertaining to the Companies Act No. 7 of 2007
Statement of Compliance under Section 7.5 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures
Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures
Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

2. CORPORATE GOVERNANCE FRAMEWORK

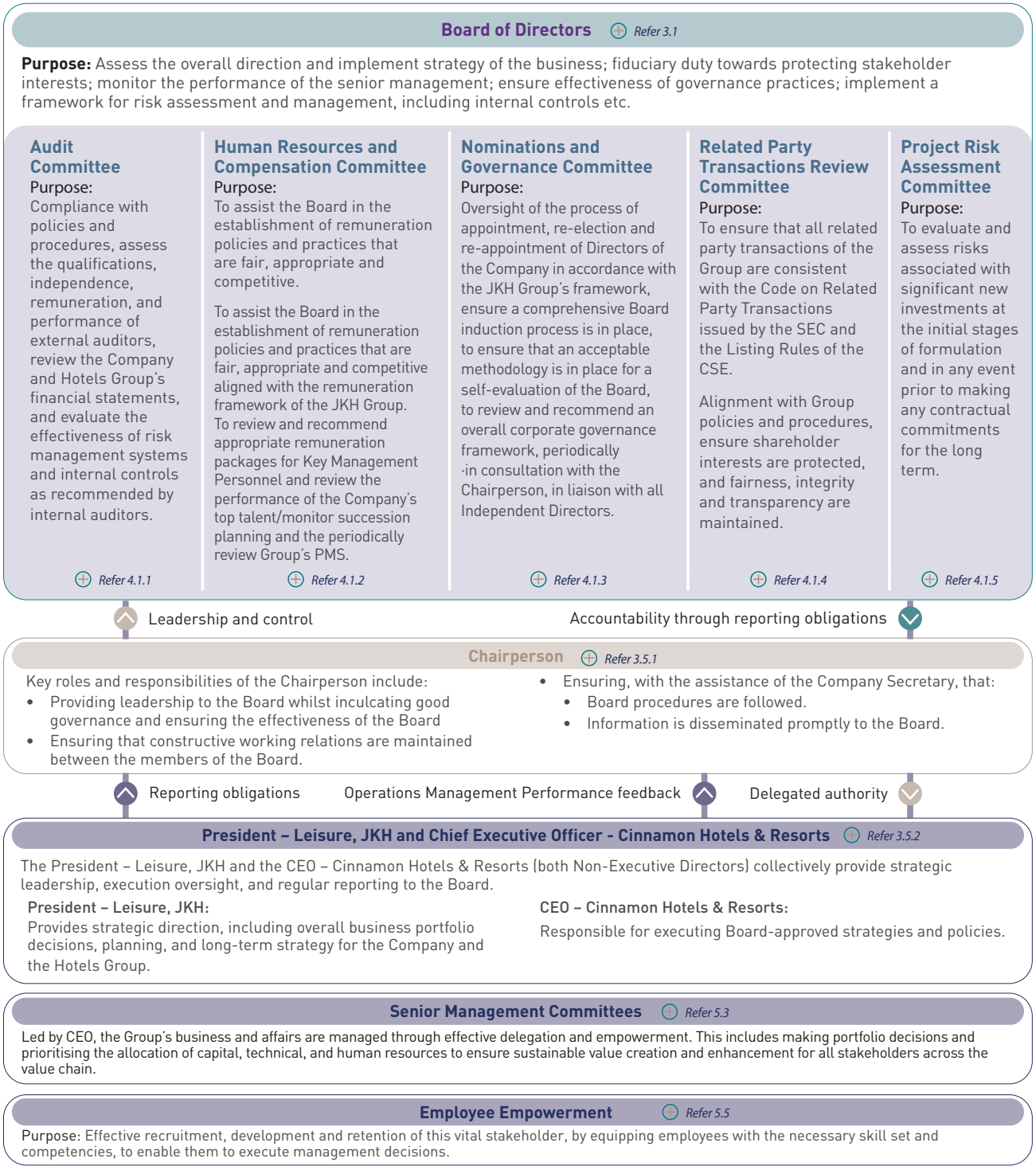
The diagram below provides a comprehensive overview of the governance framework of the Company and its subsidiaries, which conforms to the structures and policies of its Parent Company, John Keells Holdings PLC. It illustrates the Internal Governance Structure, anchored by the Board of Directors and its committees, cascading through senior management committees down to the employee level.



- All Board Committees mandated under the Listing Rules are chaired by Independent Directors appointed by the Board. The Chairperson of the Project Risk Committee of JKH, which acts on behalf of the Company, is chaired by an external Non-Independent Non-Executive Director of JKH.
- Only the key components are depicted in the governance framework.

3. INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises the committees that formulate, execute, and monitor the Company's strategies and initiatives, as well as the policies, processes, and procedures used to do so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods, and are illustrated as follows;



The components of the internal governance structures are strengthened and complemented by internal policies, processes, and procedures, such as strategy formulation and decision-making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship, stakeholder management, and effective communication.

3.1 The Board of Directors

The Board of Directors of the Company (the "Board") is responsible for the overall stewardship of the Company and its subsidiaries. While the Board of John Keells Holdings PLC (JKH), as the parent company, establishes the Group-wide strategic direction and overarching purpose and values, the Company Board exercises its authority over the operations and affairs of the Hotels Group within the hospitality sector.

This oversight is conducted in accordance with the Company's Articles of Association and Board Charter, ensuring that the Hotels Group's culture and conduct are aligned with both sector-specific objectives and the broader John Keells Group operating model. The Board's governance instruments are aligned at the Group level to promote consistency and accountability, while ensuring the Board fulfils its specific statutory and fiduciary responsibilities to the shareholders of John Keells Hotels PLC.

All decisions of the Board are made collectively, upholding the principles of transparency and integrity. A robust system of checks and balances is in place to prevent the concentration of power in any single individual, ensuring that decision-making is balanced and effective.

3.2 Profile of Board of Directors

The Board reflects a balance of Group expertise and independent perspectives, drawing on the collective experience of its Directors across hospitality, finance, strategy, risk, and governance. This diversity of skills and backgrounds enables the Board to provide well-rounded stewardship of the Hotels Group.

Krishan Balendra

Non-Independent Non-Executive Director

Krishan Balendra, Chairperson-CEO of JKH was appointed to the Board of John Keells Hotels PLC in 2016 as a Non-Independent Non-Executive Director. He is also the Chairperson of the Ceylon Chamber of Commerce. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

Gihan Cooray

Non-Independent Non-Executive Director

Appointed to the Board of John Keells Hotels PLC in 2018 as a Non-Independent Non-Executive Director. Gihan Cooray is the Deputy Chairperson/ Group Finance Director of John Keells Holdings PLC and has overall responsibility of the John Keells Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chairman of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow member of the Chartered Institute of Management Accountants, UK, a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a committee member of The Ceylon Chamber of Commerce and a Council Member of The Sri Lanka Institute of Directors.

Nayana Mawilmada

Non-Independent Non-Executive Director

Appointed to the Board of John Keells Hotels PLC in 2025 as a Non-Independent Non-Executive Director, Nayana Mawilmada is the President of the Property and Leisure industry group at JKH. With extensive international experience in planning, facilitating, and managing large-scale urban development and infrastructure projects across 15 countries, and working within both the private and public domains, Nayana brings a unique perspective to Property and Leisure sector endeavours.

Among his previous roles, Nayana has served as the Director General of the Urban Development Authority of Sri Lanka, Managing Director of York Street Partners (Private) Limited, a boutique investment bank in Colombo and as an Urban Development Specialist for the Asian Development Bank based in Manila, Philippines. His academic training includes an MBA from Harvard Business School, a Master of City Planning from Massachusetts Institute of Technology (MIT), and a Bachelor of Architecture from Hampton University in the USA.

Hishan Singhawansa

Non-Independent Non-Executive Director

Hishan Singhawansa is the Chief Executive Officer of Cinnamon Hotels & Resorts, overseeing its entire portfolio of hotels and resorts in Sri Lanka and the Maldives, including the iconic Cinnamon Life at City of Dreams Sri Lanka. He is an Executive Vice President of the John Keells Group and is also a Board Member of Asian Hotels & Properties PLC and Trans Asia Hotels PLC.

He joined the Group in 2008 as a JKH Management Trainee and subsequently moved to the Retail Industry Group, where he held roles in Category Management and later served as Head of Supply Chain. In 2017, he transitioned to the Leisure sector and currently leads Cinnamon Hotels & Resorts. He is also on the Board of Directors of the Sri Lanka Convention Bureau and is a Committee Member of The Hotels Association of Sri Lanka (THASL). He holds a BSc in Engineering (Hons) from the University of Moratuwa and an MBA from the University of Wales.

Hasitha Premaratne

Independent Non-Executive Director

Hasitha is the Managing Director of the Brandix Group and oversees its Global Business while driving the company's overall strategy and transformation journey. Prior to taking up the reins as Managing Director, Hasitha served as Group Finance Director and Chief Strategy Officer. He is also a Director of Brandix Group subsidiaries and investment ventures that include Teejay Lanka PLC, Inqube Global, and Best Pacific Lanka Ltd. Appointed in 2022 as an Independent Director of John Keells Hotels PLC, he serves as Chairperson of the Audit Committee. Hasitha is also an Independent Director at NDB Bank and chairs its Board Risk Committee. He is also a Board Member of the Apparel Impact Institute of the USA. He was formally a Director of Bank of Ceylon, Sri Lanka's largest Bank, chairing the Board Risk and Nominations and Governance Committees. He also served on the Board of CIMA Sri Lanka, and the Sri Lanka Accounting and Auditing Standards Monitoring Board, and was a Committee Member at the Ceylon Chamber of Commerce. Before joining Brandix, Hasitha was the Head of Research at HNB Stockbrokers (Private) Limited, and possesses plenty of experience in the fields of capital markets, economics, strategic finance, management, research. His lecturing experience spans 11 years, for CIMA (UK), ACCA (UK) examinations, in Sri Lanka, India, Singapore and the Philippines. He holds an MBA in International Finance and a BSc in Computer Science. He is a Fellow Member of the Chartered Institute of Management Accountants (CIMA - UK), the Association of Chartered Certified Accountants (ACCA-UK), and the Institute of Certified Management Accountants (CMA - SL). He is also a Chartered Global Management Accountant (CGMA)

Aruni Goonetilleke

Independent Non-Executive Director

Appointed to the Board of John Keells Hotels PLC in 2025 as an Independent Non-Executive Director, Aruni Goonetilleke is a financial services expert with over 25 years of experience in international and local banks. Her expertise is in enterprise risk management and internal audit, having worked in varied roles at Standard Chartered Bank, Singapore and Sri Lanka, including Chief Risk Officer, Head of Credit for Commercial and SME Banking and Senior Manager, Group Internal Audit, working across several geographies and businesses. She was the Head of Corporate Banking at People's Bank during a period of transformation within the Bank and a former Chairperson of Hatton National Bank PLC, leading the systemically important Bank through a financial crisis. She is currently an Independent Director of several listed companies. She has a Master's in Law from Harvard University, USA, and a Bachelor of Laws (Honours) from the University of Colombo. She was also a visiting lecturer at the Faculty of Law and the Department of Graduate Studies at the University of Colombo

Dr. Kumudu Gunasekera

Independent Non-Executive Director

Dr Kumudu Gunasekera was appointed to the Board of John Keells Hotels PLC in 2019 as an Independent Non-Executive Director. He is a strategic leader, investor, and board advisor with over 25+ years of experience partnering with owners, investors, and senior executives across multiple geographies to unlock growth, guide strategic decision-making, and create long-term value. His insights and perspectives have been published in numerous peer-reviewed journals and industry magazines. He currently serves as Deputy Chairman of the Vella Group of Companies. Previously, he was Managing Director at Stax, now Grant Thornton Stax, an Adjunct Professor at Boston University, a Principal Economist at Parsons Brinckerhoff, now WSP, and Past President of the American Chamber of Commerce in Sri Lanka.

3.3 Board Oversight and Delegation of Authority

While the Board remains ultimately accountable for the strategic direction of the Hotels Group, it delegates authority for day-to-day operations to the Hotels Group's senior management team. This delegation is structured to ensure that management has the agility to operate within the dynamic hospitality market while remaining subject to the Board's rigorous oversight.

The Board's primary responsibility following this delegation is to monitor management's performance against established KPIs and ensure strict adherence to governance principles. The Board retains the right to modify or withdraw any delegated authority as it deems necessary to protect stakeholder interests.

3.4 Roles and Responsibilities of the Board

The Board is responsible for setting the Company's strategic direction, defining its risk appetite, aligning workforce policies with core values, and overseeing the achievement of key goals and objectives, while ensuring a balance of stakeholder interests. Through integrated thinking, the Board actively incorporates Environmental, Social, and Governance (ESG) considerations into the Company's policies and strategic initiatives.

In fulfilling its duties, the Board fosters a culture of transparency, open dialogue, and constructive debate, cultivating an environment that empowers employees, encourages engagement, and drives value creation for all stakeholders.

The Board's key responsibilities include:

i. Providing direction and guidance to the Company and the Hotels Group, as applicable, in the formulation and implementation of sustainable, high-level, medium, and long- term strategies which are aimed at Promoting the long-term success of the Company and Hotels Group.

ii. Reviewing and approving annual plans and long- term business plans.

iii. Tracking actual progress against plans.

iv. Overseeing and guiding the Group's sustainability-related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relations to sustainability impacts, and maintaining the systems and capabilities needed for timely, decision-useful sustainability information.

v. Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability-related risks and opportunities, including climate-related risks and opportunities, and ensuring that such strategies are integrated into the Group's overall strategy, risk management framework and capital allocation decisions.

vi. Reviewing HR processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.

vii. Ensuring operations are carried within the scope of the Enterprise Risk Management (ERM) framework.

viii. Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.

ix. Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.

x. Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.

xi. Determining any changes to the discretions/authorities delegated from the Board to the executive levels.

xii. Reviewing and approving major acquisitions, disposals and capital expenditure.

xiii. Approving any amendments to constitutional documents.

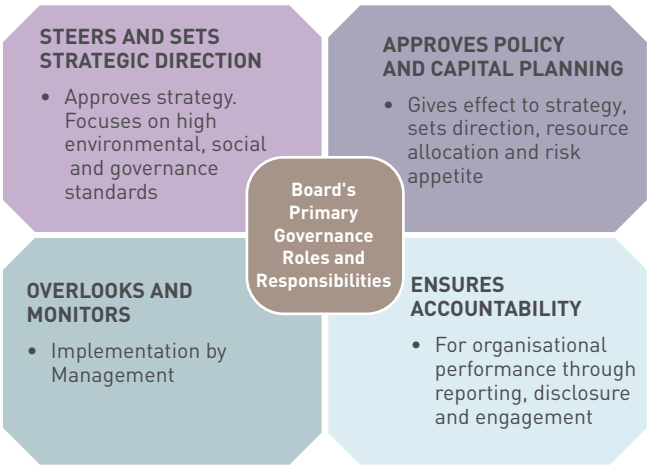
xiv. Ensuring all related party transactions are compliant with statutory obligations.

xv. Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.

xvi. Ensuring all stakeholder interests are considered in corporate decisions.

xvii. Ensuring sustainable business development in corporate strategy decisions and activities.

xviii. Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.



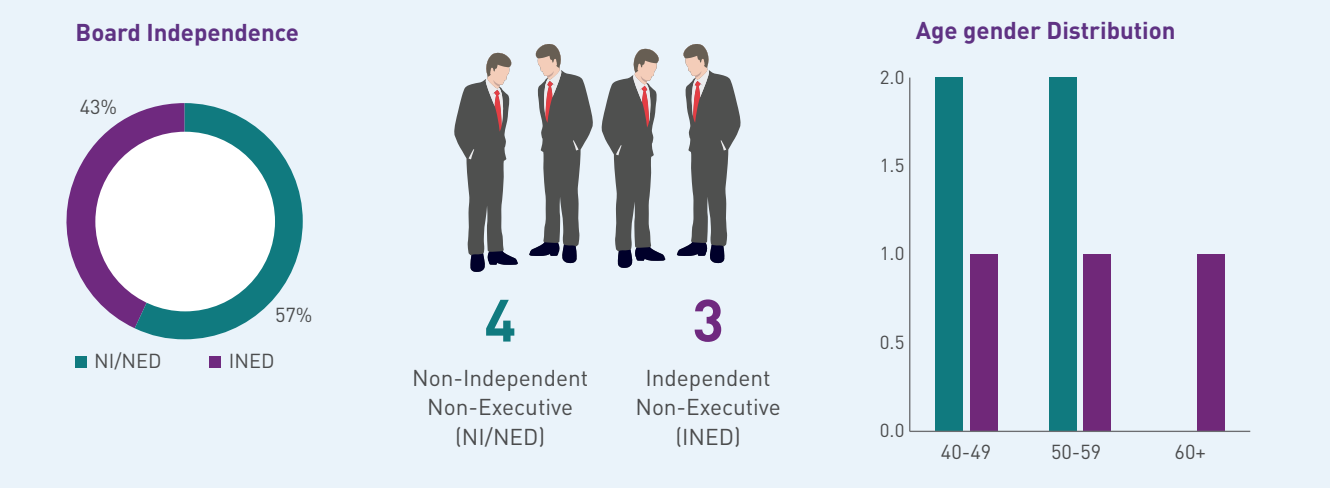
3.5 Board Composition

As of 31 March 2026, the Board comprised of seven (7) Directors, with three (3) of them being Independent Non Executive Directors (INED), four (4) of them being Non-Independent Non Executive Directors (NI/NED). The INEDs bring in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair mindedness.

The Board is diverse in skills, experience, age, and tenure, contributing varied perspectives to boardroom deliberations and exercising independent judgement. Board composition is regularly reviewed to ensure adequate diversity and that the skills representation aligns with the Company's current and future strategic needs. Each Director is responsible for determining whether he or she has a potential or actual conflict of interest arising from external associations, interests or personal relationships in material matters which the Board considers from time to time.

The Composition of the Board is governed by the Company's Articles of Association, the Companies Act No. 7 of 2007, and the Listing Rules. The Board shall comprise not less than three and not more than twelve Directors, unless otherwise permitted by the Articles, which has considered the requirement for the Board to remain agile and responsive to the Company's needs.

The Company has complied with Listing Rule No. 9.5.1(a) by maintaining the required balance of executive and non-executive directors on the Board.



3.5.1 Chairperson

Key roles and responsibilities of the Chairperson include:

- Providing leadership to the Board whilst inculcating good governance and ensuring the effectiveness of the Board
- Ensuring that constructive working relations are maintained between the members of the Board.
- Ensuring, with the assistance of the Company Secretary, that:
- Board procedures are followed.
- Information is disseminated promptly to the Board.

The Board is satisfied that the Chairperson allocates sufficient time to serve the Company effectively and that his other commitments do not interfere with the discharge of his responsibilities to the Company.

3.5.2 President – Leisure, JKH and Chief Executive Officer - Cinnamon Hotels & Resorts

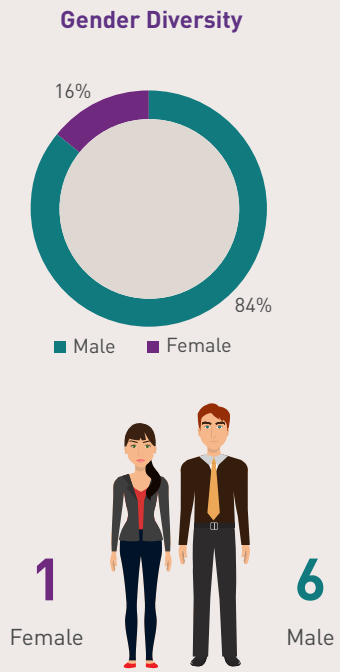
While the Company does not have a Chief Executive Officer, the President – Leisure, JKH and Chief Executive Officer (CEO) of Cinnamon Hotels & Resorts, who are Non-Executive Directors of the Company, undertake the following responsibilities:

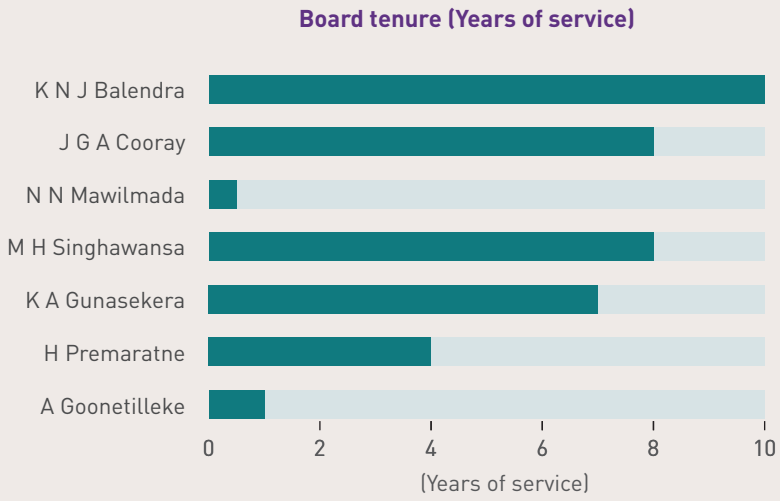
- President – Leisure, JKH: Provides leadership pertaining to business portfolio decisions, strategy, and planning for the Company and the Hotels Group.
- CEO - Cinnamon Hotels & Resorts: Executes strategies and policies of the Board, in consultation with the President - Leisure, JKH and ensures:
  - Execute strategies and policies of the Board.
  - The efficient management of all businesses of the Hotels Group, with the operating model aligned with the short and long-term strategies of the Hotels Group, and succession planning at the senior management levels of the Hotels Group.

The President - Leisure, JKH, and the CEO - Cinnamon Hotels & Resorts regularly report on key matters to the Board, enabling the Board to oversee them effectively.

3.5.3 Board Diversity

Board diversity brings a range of unique perspectives that enhance the Board's dynamics and overall effectiveness, supporting long-term value creation. The Company is committed to maintaining a diverse Board composition in terms of experience, skills, competencies, age, gender, and industry expertise, in alignment with Rule 9.5.1(c) of the CSE Listing Rules.





3.5.4 skills and Experience

Collectively, the Board brings a wealth of diverse experience across management, business administration, banking, finance, economics, travel and tourism, consultancy, property, sector and marketing. All Directors possess the skills, expertise, and knowledge, complemented by a high sense of integrity and independent judgement. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report and the table below.

Name of Director	Gender	Area of Expertise								
		Corporate Leadership	Finance	Travel and tourism	Management consultancy	Legal	Supply chain	Engineering	Property Development	Banking
K N J Balendra	M	✓	✓			✓				✓
J G A Cooray	M	✓	✓							✓
S Rajendra****	M	✓	✓	✓						
N N Mawilmada***	M	✓		✓				✓	✓	
M R Svensson**	M	✓		✓						
M H Singhawansa	M	✓		✓			✓	✓		
K A Gunasekera	M	✓		✓	✓					
H Premaratne	M	✓	✓							✓
A Goonetilleke	F	✓	✓			✓				✓
A K Moonesinghe*	F		✓							✓

A K Moonesinghe resigned from the Board w.e.f 1 April 2025*
M R Svensson resigned from the Board w e f 31 August 2025**
N N Mawilmada appointed to the Board w.e.f 8 September 2025***
S Rajendra resigned from the Board w.e.f 31 December 2025****

3.6 Appointment, Re-Election and Resignation

The Nominations and Governance Committee of the Company recommends the appointment of all Directors based on an assessment of the strategic demands of the Company and required skills and competencies. Independent Directors Non-Executive are appointed to the Board for a 3-year term and are eligible for re-appointment thereafter up to a maximum of 3 successive terms unless the exigencies of the Company necessitate an extended tenure at the time and applicable law permits such appointments.

Casual vacancies are filled by the Board based on the recommendations of the Nominations and Governance Committee in accordance with the Articles of Association of the Company. Non- Executive Directors nominated by JKH, the parent company, are subject to the retirement rules and policies of John Keells Holdings (JKH).

As prescribed by Article 83 of the Articles of Association of the Company, one-third of the Directors, except the Chairperson, retire by rotation. Directors retiring by rotation are those who have been in office for the longest time since their appointment/ re-appointment. In addition, any new Director appointed to the Board during the year is required to stand for re-election at the next Annual General Meeting in terms of Article 90 of the Articles of Association of the Company.

3.6.1 Appointments during the year

- N N Mawilmada was appointed to the Board of Directors of John Keells Hotels PLC as a Non-Independent Non-Executive Director, w.e.f. 8 September 2025.

3.6.2 Resignations during the year

Ms. A K Moonesinghe, Independent Non-Executive Director, resigned w.e.f 1st April 2025

Mr. M R Svensson and Mr. S Rajendra, both Non-Independent Non-Executive Directors, stepped down from the Board of Directors of the Company consequent to the completion of their contract of employment with the John Keells Group on 31 August 2025 and 31 December 2025 respectively.

The proposal for the re-election of Directors is set out in the Annual Report of the Board of Directors on page 218 of this Report.

Details of new Directors are disclosed to shareholders at the time of their appointment through a public announcement covering the following:

- A brief resume of the Director.
- The nature of his expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board Committees.
- Whether such a Director can be considered 'Independent'.

The relevant interim releases and Annual Reports also include details of such appointments.

The appointment of all Directors complies with applicable laws and rules, including all qualifying and fit-and-proper criteria stipulated by the Listing Rules (Section 9.7.3 (a) (b) and (c)) and the Companies Act. The Nominations and Governance Committee evaluates the fulfilment of the fit-and-proper criteria outlined in the Listing Rules prior to presenting nominations to the Board or the shareholders, as applicable, for appointment to the Board. Further, each Independent Director signs an annual declaration confirming their compliance with the independence criteria prescribed by the Listing Rules (Rule 9.8.3), which is considered by the Nominations and Governance Committee and the Board. Directors are required to report any substantial change in their professional responsibilities and business associations to the Chairperson of the Company or the Nominations and Governance Committee, which will examine the facts and circumstances and make recommendations to the Board accordingly.

3.7 Induction And Training for Directors

All newly appointed Directors undergo a formal induction process under the oversight of the Nominations and Governance Committee, which includes knowledge-sharing sessions on Company values and culture, governance framework, policies and processes, the JKH Group Code of Conduct and Ethics adopted by the Company (which includes anti-corruption and anti-bribery), the sector business model, strategy, and Directors' responsibilities. Board members are also given insights into regulatory changes that may impact the industry at Board meetings.

Further, newly appointed Directors are granted access to relevant parts of the business. They can meet with key management personnel and third-party service providers, such as External Auditors and Risk Consultants. Directors recognise the need for continuous training and ongoing development to perform their duties effectively, and they regularly participate in industry forums and other personal development programs to expand their knowledge and skills. To this effect, the Chairperson and the Nominations and Governance Committee periodically review any training and development needs of the Board and recommend any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and maintaining their professional qualifications/licenses and memberships.

The Chairperson ensures that the Board is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Company and its subsidiaries, including ensuring that the senior management reports on the Company's compliance with applicable laws, rules and regulations to the Nominations and Governance Committee and the Board.

3.8 Board Meetings

3.8.1 Regularity of Meetings

Board meetings are held on a quarterly basis, with the flexibility to convene additional meetings as required. Directors are expected to attend a minimum of two (2) meetings or 50% of the meetings held during the financial year, unless otherwise excused by the Board.

Attendance at Board and Board Committee meetings via audio-visual means is considered valid participation. During the year, the Board continued to adopt a hybrid model (physical and virtual) for meetings, as appropriate.

The Company Secretary records important discussions and decisions in the Board minutes, which are presented for approval at the next Board meeting. All records related to Board meetings and decisions are kept in the minute book by the Company Secretary.

The attendance at Board meetings held during the financial year 2025/26 is given below:

Name of Director	Executive (ED)/ Non-Executive Director (NED)	Independent (ID)/Non-Independent Director (NID)	Year of Appointment	Age	Main Board	Tenure on the Board (Years, as at May 2026)	Attendance details				Eligibility to attend the meeting	Number of meetings attended
							16.05.2025	28.07.2025	30.10.2025	27.01.2025		
K N J Balendra	NED	NID	2016	52	Chair	10 Years	✓	✓	✓	✓	4	4
J G A Cooray	NED	NID	2018	49	Member	8 Years +	✓	✓	✓	✓	4	4
S Rajendra****	NED	NID	2021	62	Member	5 Years +	✓	✓	✓	N/A	3	3
N N Mawilmada***	NED	NID	2025	53	Member	5 Months +	N/A	N/A	✓	✓	2	2
M R Svensson**	NED	NID	2021	55	Member	5 Years +	✓	Excused	N/A	N/A	2	1
M H Singhawansa	NED	NID	2018	41	Member	8 Years +	✓	✓	✓	✓	4	4
K A Gunasekera	NED	ID	2019	50	Member	7 Years +	✓	✓	✓	✓	4	4
H Premaratne	NED	ID	2022	47	Member	4 Years +	✓	✓	✓	✓	4	4
A Goonetilleke	NED	ID	2025	61	Member	1 Year +	✓	✓	✓	✓	4	4
A K Moonesinghe*	NED	ID	2016	50	Member	8 Years	N/A	N/A	N/A	N/A	N/A	N/A

A K Moonesinghe resigned from the Board w.e.f 1 April 2025*
M R Svensson resigned from the Board w e f 31 August 2025**
N N Mawilmada appointed to the Board w.e.f 8 September 2025***
S Rajendra resigned from the Board w.e.f 31 December 2025****

3.8.2 Access To Information

Directors receive their Board packs at least seven days before the meetings. Directors have unrestricted access to management and organisational information and to the resources required to clarify matters and carry out their duties and responsibilities effectively. Executive Management makes presentations on matters including business performance against operating plans, strategy, investment proposals, risk management, compliance and regulatory changes. Access to independent professional advice, coordinated through the Company Secretaries, is available to Directors at the Company's expense.

3.8.3 Board Access To Independent Professional Advice

To preserve the independence of the Board and to strengthen decision-making, the Board is encouraged, where applicable and relevant, to seek independent professional advice, in furtherance of their duties, at the Hotels Group's expense. This is coordinated through the Company Secretary, as and when requested.

3.8.4 Board Agenda

The Chairperson ensures that all Board proceedings are conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Company Secretary. During the period under review, the Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Company Secretary.

The typical Board agenda in 2025/26 entailed confirmation of previous minutes, ratification of circular resolutions, ratification of the use of the Company seal, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risks, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, amongst others. Added emphasis was also placed on business performance, considering the challenges stemming from the challenging macroeconomic environment.

3.9 Time Dedicated by Non- Executive Directors

The Board has dedicated adequate time to fulfilling and discharging its duties as Directors of the Company. It is important to acknowledge that Directors need to allocate enough time prior to a meeting to review Board papers, request further information and clarification, and after the meeting, to follow up on issues arising from it. This should also include time for familiarisation with business changes, operations, risks, and controls. In addition to attending Board meetings, the Directors attend relevant Subcommittee meetings and have also contributed to decision-making through Circular Resolutions and one-on-one meetings with key management personnel when necessary.

3.10 Company Secretary

The Company Secretary, Keells Consultants (Private) Limited, provides secretarial services to the Board. The Company Secretaries and Management apprise the Board of new and potential laws, revisions, regulations, and requirements relevant to them, both as individual Directors and collectively as the Board. The Company Secretary maintain minutes of Board meetings, which are open for inspection by any Director at any time. All Directors have access to the advice and services of the Company Secretary, as necessary. Shareholders can also contact the Company Secretaries during office hours for company-related information. The appointment and removal of the Company Secretaries are matters for the Board.

3.11 Director Remunerations

The remuneration of Board members is carefully determined to align with their skills, knowledge, competencies, and involvement in Board activities. The remuneration of Non-Executive Directors were determined in reference to fees paid to other Non-Executive Directors of comparable companies, and adjusted, where necessary, in keeping with the complexity of the Company and Hotels Group. Directors were paid additional fees for either chairing or being a member of a Board Committee and Independent Non Executive Directors did not receive any performance/incentive payments/ share option plans. Director fees for nominee Directors of JKH are paid to JKH and not to individual Directors. The aggregate remuneration paid to NEDs in FY 2025/26 is Rs. 7.3Mn. As of the date, the Company has no Executive Directors.

3.12 Compensation For Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than accrued fees payable, if any, under their contract.

3.13 Performance Evaluation of The Board and Board Committees

Board and Board Committee performance evaluations are conducted annually. The process for the periodic evaluation of the performance of the Board is established under the oversight of the Nominations and Governance Committee. This process is conducted independently. Committee evaluations involve each committee member completing a questionnaire, which is provided to the chairperson of the respective committee.

The process involves each Director self- appraising the performance of the Board against identified criteria:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structure
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

The results are analysed to indicate the Board's and Board Committee's effectiveness and areas that require addressing and/ or strengthening.

The Board and its Committees conducted their annual performance appraisal for the financial year 2025/26 and, accordingly, are seen as effective in discharging their roles and responsibilities.

3.14 Maintaining Board Independence and Managing Conflicts of Interest

Stringent nominating procedures, systematic and comprehensive Board evaluation processes, and independent director-led engagement emphasise Board independence. All Directors are experienced leaders in their respective fields and exercise independent and unfettered judgement, promoting constructive Board deliberations and objective evaluation of matters set before them.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- Nominees are requested to make known their various interests.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

Once Appointed

- Directors obtain Board clearance prior to;
  - Accepting a new position
  - Engaging in any transaction that could create or potentially create a conflict of interest
- All NEDs are required to notify the chairperson of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)

During Board Meetings

- Directors who have an interest in a matter under discussion;
- Excuse themselves from deliberations on the subject matter
- Abstain from voting on the subject matter (abstention from decisions are duly minuted)

The independence of all its Independent Non-Executive Directors (INED) was reviewed against the criteria of the Listing Rules summarised below:

Criteria for Defining the Independence	Status of Conformity of INED
None of the INEDs has Shareholding carrying 10 per cent or more of voting rights.	Compliant
None of the INEDs is a Director of another company*	Compliant
None of the INEDs has income/non-cash benefits equivalent to 20 per cent of the Director's annual income, excluding income/non-cash benefits received, which apply on a uniform basis to all non- executive Directors on the Board.	Compliant
None of the INEDs has employment at the Company or a material business relationship with the Company currently or in the three years immediately preceding their appointment as Directors.	Compliant
None of the INEDs has a close family member who is a Director, CEO or Key Management Personnel.	Compliant
None of the INEDs has served on the Board continuously for 9 years from the date of their first appointment.	Compliant
None of the INEDs is employed or has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have substantial shareholding in the Company, and the Company has a business connection with	Compliant
None of the INEDs is above 70 years of age unless such designation is recommended by the Nominations and Governance Committee, approved by the Board and approved by a majority vote of public shareholders voting at a General Meeting.	Compliant - no INED is above 70 years

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors, or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

3.15 Details in Respect of Directors

In accordance with the Company Policy and applicable law, the Directors shall not hold more than fifteen directorships in listed companies. The following table illustrates the total number of Board seats and key management positions held at other companies by each director as of 31 March 2026.

Name of Director	Executive (ED)/ Non-Executive Director (NED)	Independent (ID)/ Non-Independent Director (NID)	Board Seats Held in Other Listed Sri Lankan Companies			Board Seats Held in Other Unlisted Sri Lankan Companies
			Executive Capacity	Non-Executive Capacity	Key Management Personnel	
K N J Balendra	NED	NID	JKH PLC	Asian Hotels & Properties PLC Ceylon Cold Stores PLC John Keells PLC Keells Food Products PLC Trans Asia Hotels PLC Union Assurance PLC	Nil	Director of several companies in the JKH Group***
J G A Cooray	NED	NID	JKH PLC	Asian Hotels & Properties PLC Ceylon Cold Stores PLC John Keells PLC Keells Food Products PLC Trans Asia Hotels PLC	Nil	
N N Mawilmada*	NED	NID	Nil	Asian Hotels & Properties PLC** Trans Asia Hotels PLC**	Nil	
M H Singhawansa	NED	NID	Nil	Asian Hotels & Properties PLC Trans Asia Hotels PLC	Nil	
K A Gunasekera	NED	ID	Nil		Nil	Vella (Pvt) Ltd
H Premaratne	NED	ID	Nil	National Development Bank PLC Teejay Lanka PLC	Nil	Brandix Apparel (Pvt) Ltd Ocean Lanka (Pvt) Ltd Inqube Global (Pvt) Ltd Brandix Lanka (Pvt) Ltd Brandix Corporate Campus (Pvt) Ltd Brandix Apparel Solutions (Pvt) Ltd Best Pacific Textiles Lanka (Pvt) Ltd Hyphen International (Pvt) Ltd
A Goonetilleke	NED	ID	Nil	Nil	Nil	

*Appointed to the Board w.e.f 8 September 2025
**Appointed to the Board w.e.f 8 September 2025
***Refer page 213 of the Annual Report and the Group Directory for further details

4. BOARD COMMITTEES

The Board has delegated specific functions to five Board Committees to assist in discharging its duties, while retaining final decision-making authority. This structure allows Committee members to focus on designated areas of responsibility, providing deeper oversight and technical expertise in their respective domains.

The Committees are responsible for reporting their findings, deliberations, and recommendations to the Board. These insights are shared through regular updates during Board meetings, ensuring that important matters are integrated into the Board's overarching decision-making process.

In accordance with Section 9.3.1 of the Listing Rules of the Colombo Stock Exchange (CSE), the Company ensures that its mandatory committees are established and function in alignment with applicable regulations, global best practices, and their specific Terms of Reference. These mandatory committees include:

- Audit Committee
- Human Resources and Compensation Committee
- Nominations and Governance Committee
- Related Party Transactions Review Committee

The Company continues to benefit from the specialised expertise of the parent company's Project Risk Assessment Committee, which acts as the Project Risk Assessment Committee for John Keells Hotels PLC. This voluntary arrangement ensures that material new investments and large-scale projects are evaluated with the rigorous risk and feasibility standards maintained at the John Keells Group level.

The composition of Board Committees is shown below.

Name of Director	Executive/ Non-Executive Director	Independent/ Non-Independent Director	Year of Appointment	Board of Directors	Board Sub-Committee Membership (as at 31 March 2026)					Tenure on the Board (Years, as at May 2026)
					NGC	HRCC	AC	RPT	PRAC of JKH	
K N J Balendra	NED	NID	2016	C	M				M	10 Years
J G A Cooray	NED	NID	2018	M		M			M	8 Years +
K A Gunasekera	NED	ID	2019	M	C	M	M	M		7 Years +
A Goonetilleke	NED	ID	2025	M	M	C	M	M		1 Year +
S Rajendra***	NED	NID	2021	M						5 Years +
N N Mawilmada**	NED	NID	2025	M						5 Months +
H Premaratne	NED	ID	2022	M			C	C		4 Years +
M R Svensson*	NED	NID	2021	M						5 Years +
M H Singhawansa	NED	NID	2018	M						8 Years +
H. Wijayasuriya	NED of JKH	NID	2018						C	7 Years +
A. Cabraal	NED of JKH	NID	2024						M	2 Years +

*M R Svensson resigned from the Board w,e,f 31 August 2025
**N N Mawilmada appointed to the Board w.e.f 8 September 2025
***S Rajendra resigned from the Board w.e.f 31 December 2025

C – Chair
M – Member
AC - Audit Committee
HRCC - Human Resources and Compensation Committee
NGC - Nominations and Governance Committee
RPTRC - Related Party Transactions Review Committee
PRAC - Project Risk Assessment Committee

4.1 Composition and Scope of Board Sub-Committees

4.1.1 Audit Committee

Audit Committee (John Keells Hotels PLC)

Role: Assist the Board in meeting its oversight responsibilities pertaining to the Company's financial statements, risk management, internal controls, and legal and regulatory frameworks.

Composition

- The membership of the Committee shall be as appointed by the Board from time to time, with due regard to applicable laws, rules and regulations.
- The Committee shall comprise of a minimum of three (3) Non-Executive Directors of the Board of which a minimum of two (2) members or a majority, whichever is higher, shall be Independent Non- Executive Directors.
- The Chairperson of the Committee is appointed by the Board.
- The Chairperson is an Independent Non- Executive Director who is a member of a recognised professional accounting body.
- The Chairperson of the Board shall not be the Chairperson of the Committee.
- Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.

Name of Director	15.05. 2025	25.07. 2025	29.10. 2025	23.01. 2026	Eligibility to attend	Attended
H Premaratne - Chairperson *	✓	✓	✓	✓	4	4
K A Gunasekera	✓	✓	✓	✓	4	4
A Goonetilleke	✓	✓	✓	✓	4	4
By Invitation						
Hishan Singhawansa (NED) - CEO **	✓	✓	✓	✓	4	4
Changa Gunawardane - CFO **	✓	✓	✓	✓	4	4

* Member of a professional Accounting body

** Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

Date of Appointment	
H Premaratne – Chairperson	15.07.2022
K A Gunasekera	06.11.2019
A Goonetilleke	01.01.2025

Scope

i. Overseeing the preparation, presentation, and review of the quarterly and annual financial statements, including their quality, transparency, integrity, accuracy, and compliance with accounting standards, laws, and regulations, before tabling them for the approval of the Board of Directors.

ii. Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors to prevent the leakage of material information to unauthorised persons.

iii. Obtain and review assurance from the President, CEO, CFO, and other key management personnel, as relevant, that the financial records have been adequately maintained and that the financial statements give a true and fair view of the Company's and Hotel Group's operations and finances.

iv. Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.

v. Review the adequacy and effectiveness of internal and external audit arrangements.

vi. Review the risk policies adopted by the Company annually.

vii. Recommend the appointment, re- appointment and removal of the External Auditors, including their remuneration and terms of engagement, by assessing qualifications, expertise, resources and independence.

AUDIT COMMITTEE REPORT

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the subsidiaries, the internal control and risk management framework and systems of the Company, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and the adequacy and performance of the Internal Audit function undertaken by the Group Business Process Review division (Group BPR). The scope of functions and responsibilities is adequately set out in the terms of reference of the Committee, which has been approved by the Board and is reviewed annually.

The 'Rules on Corporate Governance' under the Listing Rules of the Colombo Stock Exchange and the 'Code of Best Practice on Corporate Governance' issued by CA Sri Lanka in 2023 further specify the composition, roles, and functions of the Board Audit Committee.

The Committee's responsibilities pertain to the Company and its subsidiaries collectively. Each committee member evaluates the Committee's effectiveness annually, and the results are communicated to the Board.

Composition of the Committee and Meetings

The Group Audit Committee comprises three (3) Non-Executive Independent Directors. The Chief Financial Officer – Leisure Industry Group serves as the Secretary to the Committee. The Chief Executive Officer is a permanent invitee to all Committee meetings. The Audit Committee consists of the following members:

H Premaratne – Chairperson

Dr K A Gunasekera

A Goonetilleke

Chief Financial Officer – Leisure Industry, served as the Secretary to the Audit Committee.

The Audit Committee met four times during the financial year. The Corporate Governance report provides information on committee members' attendance at these meetings. The Internal Auditors, who carried out outsourced assignments, and relevant executives of the Company and the Group also attended these meetings as needed. The Committee engaged with management to review key risks faced by the Company to obtain assurances that appropriate and effective risk mitigation strategies were in place.

The activities and views of the Committee were communicated to the Board of Directors on a quarterly basis through verbal briefings by the Chairman of the Committee and by tabling the minutes of the Committee's meetings.

Financial Reporting

The Audit Committee has reviewed and discussed the Company's quarterly and annual financial statements with the Management. The External Auditors were engaged to conduct a limited review of the Company's interim financial statements for the nine months ended 31 December 2025. The results of this review, together with the full-year results reports, were discussed with the External Auditors prior to publication of these statements. The scope of the review included ascertaining compliance of the statements and disclosures with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters. Discussions were also held with the External Auditors and Management on matters communicated to the Committee in their audit reports for the year.

The Committee continuously monitored the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

The Committee obtained independent input from the External Auditors on the effects of any new Sri Lanka Accounting Standards that came into effect for the year under review and satisfied itself that the necessary preparatory work had been carried out to enable the Company to comply with these new standards.

Internal Audit, Risks and Controls

The Committee reviewed the adequacy of the Group's Internal Audit coverage and Internal Audit Plans with the Head of the Group BPR Division and Management. The Internal Audit function is outsourced to leading professional firms under the direction and control of the Group BPR division.

The Group BPR division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group, compliance with laws and regulations, and the Group's established policies and procedures. Reports from outsourced Internal Auditors on the operations of the Company and subsidiaries of the Company were also reviewed by the Committee. Follow-up action was taken on the recommendations of the outsourced Internal Auditors, and any other significant follow-up matters were documented and presented to the Committee on a quarterly basis by the Head of Group BPR. The Committee also reviewed the effectiveness of digital forensic tools used by Group BPR.

Reviewed the Business Risk Management processes and procedures adopted by the Company to manage and mitigate the impact of such risks and observed that risk analysis exercises had been conducted across the different hotels, key risks that could impact operations had been identified to the extent possible, and measures were taken to minimise the impact and likelihood of such risks. It was noted that within

the Hotel Group, sustainability- and climate-related risks and opportunities were identified and addressed.

Formal confirmations and assurances were obtained from the company's senior management on a quarterly basis regarding the efficacy and status of internal control and risk management systems, as well as compliance with applicable laws and regulations.

External Audit

The committee reviewed and discussed the External Auditors' scope of the audit with the External Auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an ongoing basis regarding significant matters pending resolution. The Committee also met the External Auditors, without management being present, before finalising the financial statements to obtain their input on specific issues and ascertain whether they had any areas of concern relating to their work. The External Auditors raised no matters other than those already discussed with management and resolved.

The Committee discussed the External Auditors' final management reports on the audit of the Company and the consolidated financial statements for the year 2025/26 with the Management and the Auditors.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the John Keells Group, and pre-clearance has been obtained for these services. The Committee also reviewed the arrangements made by the Auditors to maintain their independence, and has received confirmation from the Auditors of their compliance with the independence guidance set out in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated through a formal assessment process with input from the company's senior management. Based on the performance assessment, the Committee has recommended to the Board that Messrs. Ernst & Young be reappointed as the Lead/ Consolidation Auditor of the Group for the financial year ending 31 March 2027, subject to approval by the shareholders at the Annual General Meeting.



H Premaratne
Chairperson of the Audit Committee

26 May 2026

4.1.2. Human Resources and Compensation Committee

Human Resources and Compensation Committee (John Keells Hotels PLC)

Role: Determines Remuneration Policy and reviews implementation of the same, reviews and ratifies the remuneration of key executives.

Composition

- The Board of Directors shall determine the composition of the Committee in compliance with the requirements of the Listing Rules that mandate that the Committee comprise a minimum of three (03) Directors, out of which a minimum of two (02) shall be Independent Directors.
- The Chairperson of the Committee must be an Independent Non-Executive Director. The Chairperson of the Committee shall not be the Chairperson of the Board.
- The Chairperson will determine how objectively and effectively the Committee carries out its tasks in the best interests of the Company.
- The Non-Executive Directors appointed to the Committee shall be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.
- The Company Secretary is the Secretary of the Committee.
- Chairperson/Group Finance Director acts as the Secretary to the JKH Committee

Name of Director	Date of First appointment to the Committee	INED, NED or ED	28.07.2025
A Goonetilleke- Chairperson	01.04.2025	INED	✓
K A Gunasekera	01.10.2024	INED	✓
J G A Cooray	01.10.2024	NED	✓

Scope

i Adhere to the compensation and benefit policies, plans and programs of the Company, to ensure that the Company maintains fair, appropriate and competitive remuneration practices that align with the Group's remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests.

ii Ratify the performance appraisals of the KMPs of the Company, as deliberated and approved by the Group Career Committee (comprising of the Chairperson-CEO and the Group Executive Committee) of the ultimate parent company, John Keells Holdings PLC (JKH).

iii Reviewing and monitor the performance of the Company's top talent for purposes of organisational growth and succession planning, with particular emphasis on succession at KMP levels.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive, and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the performance appraisals of the Key Management Personnels, who are pivotal in shaping business strategy and decision-making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organisational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent, and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No. 07 of 2007 regarding Director remuneration and confirms that no individual was involved in decisions concerning his/her own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the Key Management Personnels, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.



A Goonetilleke
Chairperson of the Human Resources and Compensation Committee

26 May 2026

4.1.3 Nominations and Governance Committee

Nominations and Governance Committee (John Keells Hotels PLC)

Role: Lead the process of Board appointments and recommendations to the Board, and define and establish a nomination process for Directors.

Composition

- The committee shall comprise a minimum of three (3) members, of which a majority shall be Independent Non-Executive Directors. Should not comprise Executive Directors.
- The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board and shall in no event be the Chairperson of the Board.
- The Company Secretary is the Secretary of the Committee.
- In the absence of the Chairperson and when duly excused, those present may appoint an Independent Non-Executive Director to chair the meeting.

Name of Director	Date of First appointment to the Committee	INED, NED or ED	16.05.2025
K A Gunasekera - Chairperson	01.10.2024	INED	✓
A Goonetilleke	01.04.2025	INED	✓
K N J Balendra	01.10.2024	NED	✓

Scope

i To lead the process of Board appointments, Board inductions and to make recommendations to the Board in respect of all new Board appointments, and the re-election/ re-appointment of Directors retiring in terms of the Articles of Association, under contract or applicable law;

ii To define and establish processes for the nomination and re-appointment/re-election of Independent Non -Executive Director and Non-Independent Non-Executive Directors.

iii To ensure the establishment of an appropriate methodology for the periodic self-evaluation of the Board, to be facilitated by an Independent Director, with the results subsequently reviewed and discussed at Board level.

iv To review and recommend an overall corporate governance framework in accordance with the JKH Group, considering applicable laws, rules, regulatory requirements and industry/international best practices.

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. The Company Secretary serves as its Secretary.

The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this Committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/international best practices.

Activities During the Year

During the financial year ended 31 March 2026, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

The following Director appointment and contract renewals to the Board of the Company were recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements, and, where applicable, independence criteria:

- Mr. N N Mawilmada, Non-Independent, Non-Executive Director (new appointment)
- Dr. K A Gunasekera, Independent, Non-Executive Director (renewal)
- Mr. H Premaratne, Independent, Non-Executive Director (renewal)

- Ensured that in accordance with Article 83 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 90, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.
- During the year, the following Directors, retiring in terms of Articles 83 and 90 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 26 June 2025:
  - Mr. J G A Cooray – Non-Independent, Non-Executive Director (Article 83)
  - Mr. M H Singhawansa – Non-Independent, Non-Executive Director (Article 83)
  - Ms. A Goonetilleke – Independent, Non-Executive Director (Article 90)
- Ensured that newly appointed Directors were provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, Executive Directors, Company Secretary, and senior management and through Board notes.

- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles and Corporate Governance Commentary sections of this Annual Report.

Directors retiring at the Annual General Meeting of the Company for the financial year 2025/2026.

The following Directors who are retiring under Articles 83 and 90 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees,Other principal commitments, Any other relati0nships
Dr. K A Gunasekera (Article 83)	Independent, Non-Executive Director	6 November 2019	27 June 2023	The details are provided in the Board Profiles and Corporate Governance Commentary sections of this Annual Report
Mr. N N Mawilmada (Article 90)	Non-Independent, Non-Executive Director	8 September 2025	N/A	

Board and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and determined that it had discharged its responsibilities effectively in accordance with the Committee Charter.
- The Board completed an annual self-assessment of its performance for the financial year 2024/25, the outcome of which were discussed between the Board and the Committee in May 2025.

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.



Dr. K A Gunasekera
Chairperson of the Nominations and Governance Committee

26 May 2026

4.1.4 Related Party Transactions Review Committee

Related Party Transactions Review Committee (John Keells Hotels PLC)

Role: Ensure that all related party transactions of the Company are consistent with the Code on Related Party Transactions issued by the SEC and with the Listing Rules of the CSE.

Composition

- The Related Party Transactions Review Committee shall comprise a minimum of three (3) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include Executive Directors, at the option of the Listed Entity
- The Board shall appoint as the Chairperson a member of the Committee who is an Independent Non-Executive Director. The Chairperson of the Board shall not be the Chairperson of the Committee.
- The Committee shall invite any person deemed necessary to assist in its work for meetings as and when necessary and seek expert/ professional advice/guidance as deemed appropriate.
- Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.

Name of Director	Date of first appointment to the Committee	INED, NED or ED	15.05. 2025	25.07. 2025	29.10. 2025	23.01. 2026
H Premaratne - Chairperson	01.10.2024	INED	✓	✓	✓	✓
K A Gunasekera	01.10.2024	INED	✓	✓	✓	✓
A Goonetilleke	01.01.2025	INED	✓	✓	✓	✓

Scope

i. To develop and recommend for adoption by the Board of Directors of the Company and, as relevant, its listed subsidiaries, a RPT Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the JKH Group and which sets out, amongst others, the following:

ii. Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review.

iii. The guiding principles on which RPTs require prior approval of the Board, and which transactions do not require the prior approval of the Board, and therefore, can be reviewed retrospectively.

iv. Establishment of the starting base for Recurrent RPTs.

v. Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.

vi. Instances where an immediate market disclosure of the RPT is required.

vii. Instances where shareholder approval for the RPT is required.

viii. Formats to be used by the Company and Listed subsidiaries/ companies in presenting the RPT information to the Committee.

ix. To provide updates to the Board on any listed subsidiaries/companies on a quarterly basis, of the

x. RPTs pertaining to the Company and, where relevant its listed subsidiaries/companies as follows:

- Starting Recurrent RPTs.
- RPTs during the quarter.
- RPTs which were above the thresholds.
- Market announcements made in- keeping with the RPT disclosure guidelines.

xi Members of the Committee or invitees shall refrain from participating in meetings/deliberations of the Committee and voting on matters where such member/invitee (including any member of the Board) as relevant is directly or indirectly interested in any RPT under discussion. Provided, however, that such a member or invitee may participate in such discussions for the express purpose of providing information concerning the RPT to the Committee.

xii. In the event a potential conflict is presented that may prevent the Committee from being seen as independent, the Committee shall recommend to the Board that a special committee be set up for the specific purpose.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Composition

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules.

Below is provided the composition of the Committee as of 31 March 2026;

H Premaratne (INED)– Chairperson

A K Moonesinghe (INED) (resigned w.e.f 1 Apr 2025)

Dr K A Gunasekera (INED)

A Goonetilleke (INED)

Chief Financial Officer – Leisure Industry, served as the Secretary to the Audit Committee.

The Corporate Governance report provides information on committee members' attendance at these meetings. The CEO of Cinnamon Hotels & Resorts, the Chief Financial Officer of the Leisure Industry, and the Vice President, Finance, attended meetings by invitation. Information on Committee members' attendance at these meetings is provided in the corporate governance report. Urgent transactions that required prior approval of the Committee were dealt with by circulation among the members.

Objective and Governing Policies

The objective of the Committee is to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions align with the Company's internal governance framework and associated policies.

Procedure

The Committee, in discharging its functions, primarily relied on processes that were validated from time to time and periodic reporting by the company and Key Management Personnel (KMP) with a view to ensuring that:

- There is compliance with 'The Code' and the Listing Rules of the CSE
- shareholder interests are protected; and
- Fairness and transparency are maintained.

Non-recurrent Related Party Transactions (RPTs) of listed entities:

The Committee advocated that the Management implement appropriate procedures to ensure that all non- recurrent RPTs of the Company are submitted to the Committee for pre-approval. Accordingly, the Committee reviewed and pre-approved all proposed non-recurrent Related Party Transactions (RPTs) of John Keells Hotels PLC.

Recurrent RPTs of listed entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the company's senior management, thereby validating compliance with Section 9.5(a) of the Listing Rules and excluding such transactions from the Committee's mandate for review and pre-approval. Accordingly, Recurrent RPTs, as well as the aforesaid disclosures and assurances, were reviewed annually by the Committee.

The Committee's activities and views have been communicated to the Board of Directors on a quarterly basis through verbal briefings and by tabling the minutes of the Committee's meetings.



H Premaratne
Chairperson of the Related Party Transactions Review Committee

26 May 2026

4.1.5 Project Risk Assessment Committee (JKH)

Project Risk Assessment Committee (JKH)

Role: evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long term.

Composition

- Should comprise of a minimum of four Directors.
- Must include the Chairperson-CEO and Deputy Chairperson/Group Finance Director.
- Must include two Non-Executive Directors.
- The Chairperson of the Committee must be a Non-Executive Director.

Name of Director	Date of Appointment	Eligible to Attend	Attended
H. Wijayasuriya - Chairperson	25.05.2018	1	1
A. Cabraal	10.01.2024	1	1
K. Balendra	25.05.2018	1	1
G. Cooray	25.05.2018	1	1

The meeting was held on 25 November 2025

Scope

i. Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated.

ii Ensure stakeholder interests are aligned, as applicable, in making this investment decision.

iii Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.

iv Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.

v The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

PROJECT RISK ASSESSMENT COMMITTEE REPORT

H. Wijayasuriya (Chairperson)
A. Cabraal
K. Balendra
G. Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising of ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios. The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognizance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRCT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.



H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

25 May 2026

5. MANAGEMENT COMMITTEES

5.1 Group Executive Committee (GEC)

The eight-member GEC consisted of the Chairperson-CEO of JKH, the Deputy Chairperson/Group Finance Director of JKH and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO JKH, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the JKH Group makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of GEC members is to act as enablers of the JKH Group's operating model. The members of the GEC are well equipped to execute these tasks and bring in a wealth of experience and diversity to the JKH Group in terms of their expertise and exposure.

In addition, the Board delegates executive decision-making on sustainability impacts and strategies to address operational, sustainability, and climate-related risks and opportunities to the GEC, which is supported by the ESG and Sustainability Steering Committee and further assisted by the Presidents and the Sustainability and ERM division in managing these matters.

The GEC meets twice a month, in addition to meetings scheduled as necessitated by the requirements of the JKH Group.

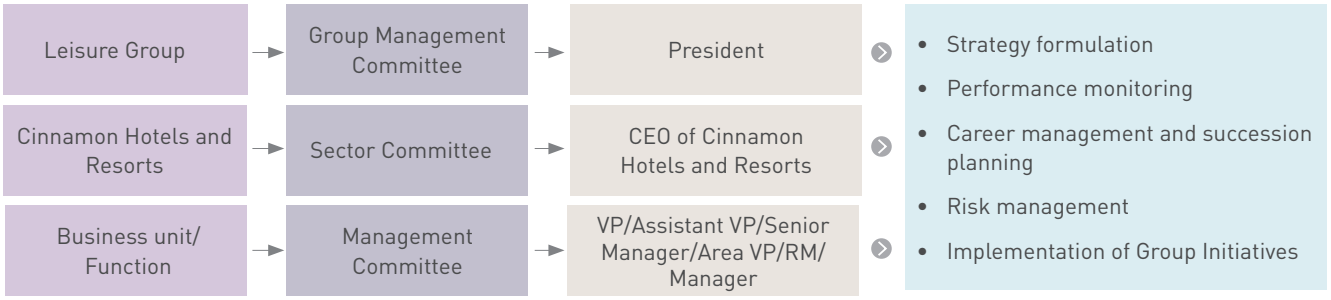
5.2 Group Operating Committee (GOC)

The Group Operating Committee (GOC) included the Chairperson-CEO of JKH, Deputy Chairperson/Group Finance Director, Presidents and Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads of their respective Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions. The GOC meets monthly to share insights, identify synergies, and ensure alignment across the JKH Group.

The Company and the Hotels Group, under the Leisure Group of JKH, are regularly reviewed at these meetings, focusing on performance, strategy, and operational alignment, highlighting their central role in group governance.

5.3 Other Management Committees

At the Leisure Group, governance is managed through three key committees: the Group Management Committee, the Sector Committee, and the Management Committee. Each committee operates at different levels—Group, sector, and business unit-promoting accountability and ownership at the operational level through structured teams and clear objectives. The agendas of these committees are aligned to facilitate effective and non-duplicative communication, ensuring smooth flows of information both from the top down and from the bottom up. Regular meetings focus on the Company and the Hotels Group, which fall under the Leisure Group of JKH. These meetings involve ongoing reviews of performance, strategic direction, and operational execution, reinforcing the Company and Hotels Group's crucial role in overall governance. Below is an illustration of the structure of the three committees.



5.4 ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee is a senior-level governance body that guides, oversees and supports the development, execution, and reporting of the Group's ESG strategy. It ensures ESG and sustainability priorities are embedded across the organisation by advising the Group Executive Committee, reviewing goals and performance, overseeing stakeholder engagement and materiality, managing sustainability-related risks, and ensuring strong ESG reporting, policies, and governance structures.

5.5 Employee Empowerment

The Company and the Hotels Group align their human capital practices with the overarching governance framework of the JKH Group, ensuring robust policies, processes, and systems are in place to recruit, develop, and retain talent effectively. These practices are grounded in the JKH Group's updated and refined competency framework, ensuring consistency and relevance to current business needs.

To support this framework, the Group strengthened the following governance- driven practices:

- Senior leadership is required to engage employees at all levels in goal-setting, strategy, and planning processes.
- Clearly defined decision rights at each employment level promote ownership, reduce bureaucracy, and accelerate decision-making.
- A bottom-up approach is adopted in developing annual and long- term plans, encouraging employee involvement and empowerment.
- Organisational and committee structures are designed for high accessibility across all levels of management.
- Open, transparent, and constructive communication is actively encouraged, with an emphasis on the value of healthy debate for sound decision-making

Further, all employees are required to avoid conflicts of interest and in the event of any potential conflict of interest, to disclose the same to their supervisors and where relevant to withdraw themselves from the conflicting circumstance.

In line with JKH's ethical standards, the Hotels Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity or sexual orientation, and promotes workplaces which are free from physical, verbal or sexual harassment.

6. INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Below are the primary governance systems and procedures adopted by the JKH Group, including the Company and the Hotels Group. These systems and procedures enhance the company's Internal Governance

Structure and are benchmarked against industry best practices.

a. Strategy formulation and decision- making process
b. Human resource governance
c. Integrated risk management
d. IT governance
e. Tax governance
f. Sustainability Governance
g. Stakeholder management and effective communication

6.1 Strategy Formulation and Decision-Making Processes

6.1.1 Strategy Mapping

Strategy mapping exercises, concentrating on each business's short, medium, and long-term aspirations, are conducted annually and reviewed, at a minimum, quarterly/ half-yearly or as and when a situation demands.

This exercise entails the following key aspects, among others.

1. Progress and deviation report of the strategies formed.
2. Competitor analysis and competitive positioning.
3. Analysis of key risks and opportunities.
4. Management of stakeholders such as suppliers and customers.
5. Value enhancement through initiatives centred on the various forms of capital under an integrated reporting framework.
6. Review of ESG Considerations
7. Digitisation and IT Strategy

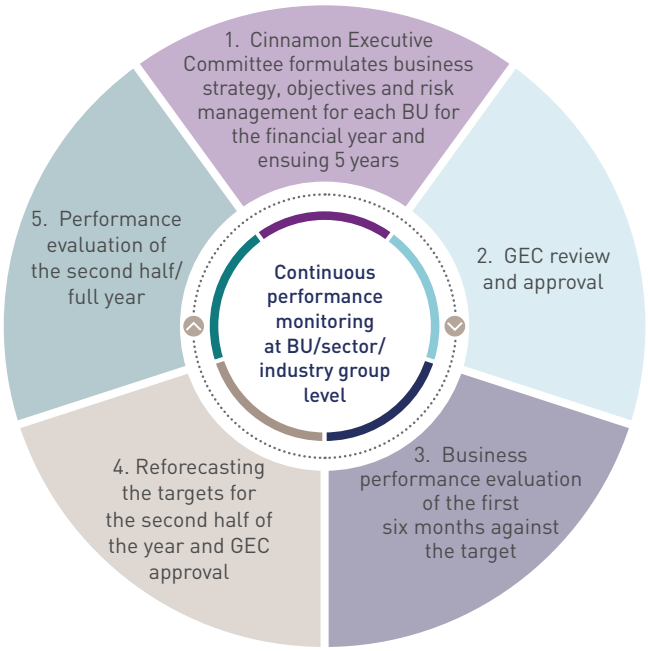
The strategies of the various business units operating in diverse industries and markets will always revolve around the JKH group strategy while considering their domain-specific factors. The prime focus is always to enhance value for all stakeholders.

The JKH Group's investment appraisal methodology and decision-making process ensure the involvement of all key stakeholders relevant to evaluating the decision.

In this manner:

- A broad range of views, opinions and advice is obtained before making an investment decision.
- A holistic view is taken of any project's commercial viability and potential, including its operational, financial, funding, legal, risk, sustainability, and tax implications.
- Sensitivity and scenario analyses are conducted to understand the macroeconomic environment impacts, especially during periods of volatility and uncertainty.
- All investment decisions are consensual, made through the afore-discussed management committee structure, where no single individual has unfettered decision-making powers over investment decisions.
- The Chairperson of JKH is ultimately responsible and accountable for the investment decision.

The following section further elaborates on the Company and the Hotels Group's strategy formulation and planning process.



6.1.2 Medium-term Strategy

The following section outlines the comprehensive process each business follows to develop its medium-term business strategy.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholder interests

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of KPIs to measure delivery of promises

Long-term Business Plan

- Setting of a long-term goal and agreeing on the core pillars that would deliver growth
- Target setting, scheduling activities and identifying workstreams to execute long-term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams
- Approval of Annual Business Plans

Performance Measurement

Measure of performance against:

- Promises
- Annual plans and projects
- Long-term initiatives
- Financial objectives

6.1.3 Project Approval Process

Projects undertaken at the JKH Group follow a detailed feasibility report that covers key business considerations across multiple scenarios within a sustainability framework. The feasibility stage is not restricted to financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG, and HR considerations.

Based on the decision rights matrix, subsequent to review by the relevant leadership Committee of the feasibility report and post in principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation, which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions, possible partners, and worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for private and State land. In the case of state land, every action will be taken to ensure compliance with the relevant rules and regulations. As appropriate, written authority and approvals will be obtained.
- Any project which involves bidding on contracts and tenders, including those of local and foreign governments and related bodies, is executed in conformance with the JKH Group's policy on bidding on contracts and tenders. It is noted that, while the Company currently has no contracts with any local and foreign Governments, the Company will disclose the same in its financial statements, in such an event.

Upon the project satisfying the above-mentioned criteria, the Board will grant final approval to proceed. Based on thresholds for the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments, the mitigation plans thereto (if applicable), and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interests of various stakeholders and to recommend to the Board the necessary action required to mitigate risks that are identified in the course of evaluating a project in order to ensure that the Risk Matrix captures those risks for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals under the delegated decision rights, with the Board kept informed.



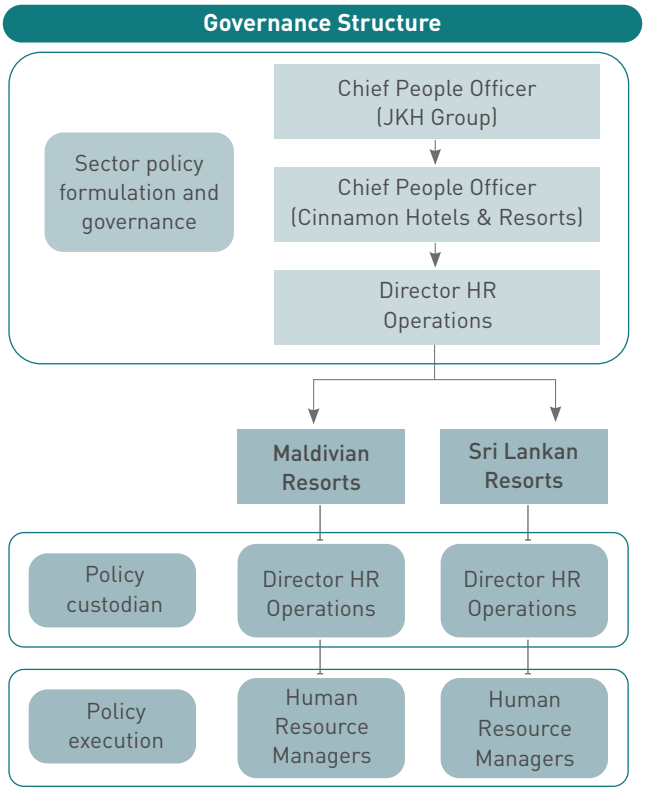
6.2 Human Resource Governance

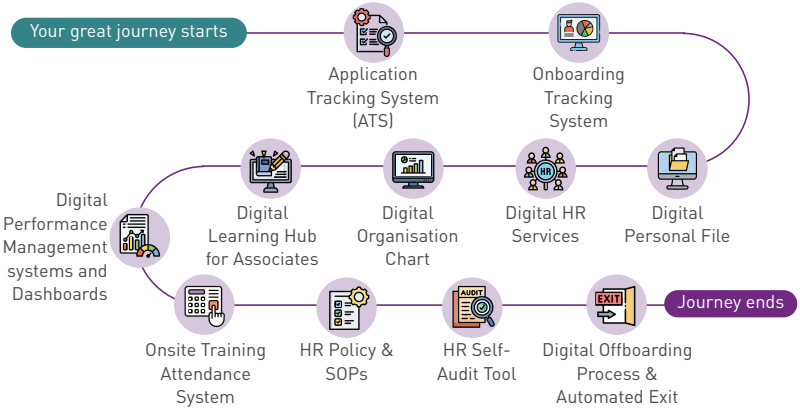
Our Human Capital governance framework is consistent with the policy framework of our parent entity, John Keells Holdings PLC and is aligned with industry best practice. It is built on the principles of trust, fairness and integrity and designed to create an equitable workplace where everyone can thrive.

Our Code of Conduct clearly outlines the ethical expectations of our employees. Constant dialogue and facilitation are also maintained regarding issues ranging from work-related issues to matters of general interest that could affect employees and their families. The Company follow an open-door policy for its employees, and this is promoted at all levels.

The Human Resource Information System (HRIS) manages the entire employee lifecycle from onboarding to performance management, succession planning, compensation, learning and development, and offboarding.

Our decentralised human capital governance approach has strengthened property-level ownership, enabling teams to respond more quickly and effectively to colleagues' needs while strengthening engagement on the ground. In parallel, we have integrated digital solutions across key stages of the colleague journey to simplify workflows, reduce manual effort, and improve efficiency. Together, these changes support a smoother, more consistent, and more people-focused colleague experience.





Key implementations in 2025/26 include:

- Cinnamon embarked on a project to develop, articulate and institutionalise the company Employee Value Proposition (EVP). The EVP was built through a structured discovery process that combined broad colleague listening (Focus Group Discussion (FGD)'s and an employee sensing survey), leadership interviews to align the promise with business priorities, with the support of a globally recognised consulting firm benchmarking to ensure relevance against market expectations. This work translated diverse inputs into a coherent, credible employee promise designed to strengthen attraction, improve retention, and create a more consistent colleague experience across Sri Lanka and the Maldives. Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the company offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2 is scheduled for rollout in FY2026/27, to take the EVP to market and embedding it across all people focused processes.
- Cinnamon scaled up entry-level talent pipelines through the Cinnamon Hospitality Academy (CHA), delivered via the Learn–Work–Earn model in partnership with SHMA and VET by EHL, introducing the Swiss "Gold Standard" framework and building a measurable feeder pipeline through multiple intakes.
- Cinnamon accelerated future talent readiness through the Cinnamon LEAD Management Trainee Programme, an 18-month staged pathway that combines cross-functional exposure with specialised immersion in the Maldives; the latest cycle demonstrated strong employer brand pull with over 1,300 applications and nine candidates selected.
- Leadership continuity was advanced through the ISH Management Development Programme (MDP) launched in June 2025, partnering with the Indian School of Hospitality and Leela Hotels to build financial acumen, operational excellence, leadership effectiveness, and commercial decision-making among high-potential operational leaders selected based on performance, potential and business critical skills.
- Cinnamon strengthened internal mobility and bench strength by sustaining structured succession pathways through internal development programs such as STEP, TAP, MAP, GMAP and LEAP. These programs enable systematic identification, development, and progression of talent, with conversion tracked through talent pool outcomes.
- Capability-building was scaled through the Cinnamon Online Academy, expanding digital learning access and the course library while introducing role- and level-based pathways (including L1 and L2 learning tracks) and structured curricula aligned to specific designations. Digital learning interventions were enhanced to strengthen compliance and operational excellence, expanding content across HSE modules and brand/standards digitalisation themes, supported by stronger tracking direction to sustain blended learning effectiveness.
- Cinnamon revamped Performance management governance to improve consistency and speed of talent decisions, introducing standardised goals and streamlining Career Committee processes through clearer structure, timelines, documentation, and calibration discipline. Where decisions are grounded in operational relevance and development.
- People governance was strengthened through refreshed policy frameworks across key areas, including performance, rewards and recognition, onboarding, grievance management, and sexual harassment. This exercise reinforced fairness, trust, and consistency across the colleague lifecycle.
- HR operations were further streamlined through end-to-end digitalisation in HIVE, including fully digitised offboarding with automated documentation and standardised exit interviews, improving governance, compliance, efficiency, and workforce insights. Employment documentation was standardised and automated, reducing manual intervention and strengthening the unified employer brand across properties. Service delivery efficiency and decision support were improved through the HR Service Portal and automated HR reporting enabling faster letter generation, real-time insights, and a shift in HR capacity from manual processing to action and interventions.
- Cinnamon strengthened talent acquisition capability through continuous improvements in the Applicant Tracking System (ATS), enabling a more data-driven recruitment process while improving candidate engagement and the overall candidate experience.
- Cinnamon advanced its DE&I agenda with the intent of strengthening a workplace where people can belong, thrive, and progress. DE&I was embedded across people practices and governed through the EmpowHer Network, with property-level teams and monthly champion reviews driving women-focused initiatives, surfacing real colleague needs, and ensuring consistent accountability. This approach delivered measurable progress across operations and, as an outcome of the work, performance exceeded the Group's annual DE&I targets. Disability inclusion initiatives were advanced through EmpowerAbility governance and pilots, including feasibility work to integrate visually impaired colleagues into Reservations and capability-building through sign language training for HR and operations teams.
- Cinnamon elevated mental wellbeing support by expanding the Colleague Assistance Programme (CAP) across all hotels and resorts in Sri Lanka, delivered in partnership with reputed, experienced institutions. The programme strengthened access to counselling through structured group sessions building trust and normalising help-seeking—while establishing a clear pathway to introduce individual

counselling as CAP matures. Building on this momentum, Cinnamon is exploring the rollout of CAP to the Maldives to extend support consistently across the region. In addition, Cinnamon laid the groundwork to introduce a dedicated counselling helpline for colleagues in both Sri Lanka and the Maldives, enabling access to professional support when needed, with implementation planned for early FY2026/27.

- As a response to the devastating impacts of Cyclone Ditwah in December 2025, the Company extended timely support to employees who were adversely affected, reaffirming our commitment to employee well-being during times of crisis. Financial assistance was provided to help colleagues address immediate needs and support recovery efforts. A total contribution of Rs. 25,810,000 was distributed among 122 colleagues, offering relief and demonstrating the Company's care, solidarity, and people-first values. At JKH group level colleagues were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- Company-wide connection and culture were strengthened through the Cinnamon Premier League (CPL) Cricket Carnival in September 2025, bringing together Business Units across Sri Lanka and the Maldives to build camaraderie, belonging, and a One Cinnamon spirit.

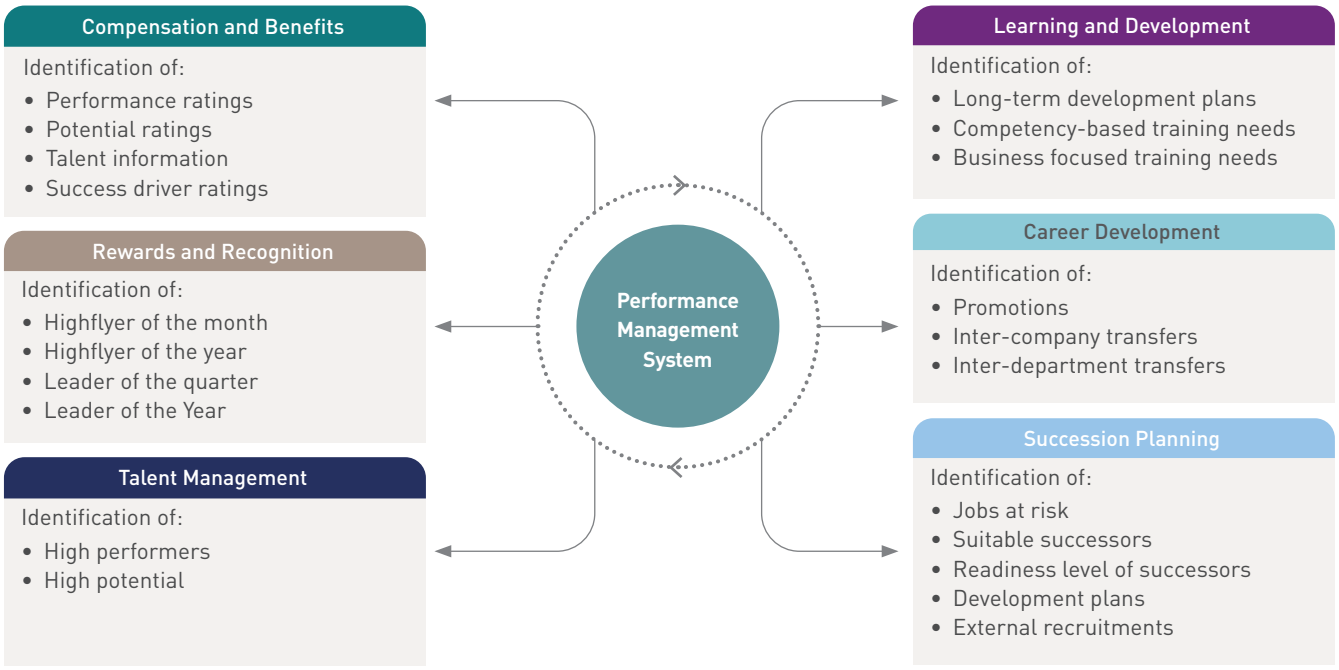
During the year under review, the following policies were introduced/ updated across Cinnamon Hotels & Resorts, which are applicable to all employees in the company.

Policies updated in 2025/26

- Reward and recognition policy against sexual harassment
- Grievance handling policy
- Onboarding policy
- Performance management policy
- Compensation and benefits policy

Performance Management

The Performance Management System, as illustrated below, supports human resource management processes such as learning and development, career development, succession planning, talent management, rewards/ recognition and compensation/benefits.



Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody our Values.

Living our Values

Across Cinnamon Hotels & Resorts, our core values—Greatness, Trust, Compassion, Agility, Curiosity, Wellbeing and Inclusivity are embedded into every colleague's job description, reinforcing a shared behavioural standard that guides day-to-day decisions and ways of working. This was supported by a property-level learning journey that translates values into practical actions across roles and teams.

Cinnamon's rewards and recognition platform is reinforced as the Hall of Greatness to celebrate values-led performance by recognising colleagues who live these behaviours through four signature awards: Highflyer of the Month, Highflyer of the Year, Leader of the Quarter, and Leader of the Year—strengthening cultural consistency and the behaviours that define Cinnamon.

Success Drivers

Since inception, the Success Drivers have become a core element of how Cinnamon defines, builds, and reinforces performance. In 2023/24, the John Keells Group initiated a revamp of its long-standing Competency Framework, resulting in the development of nine Success Drivers—a refreshed, future-relevant set of competencies shaped through structured discussions and workshops with internal and external stakeholders across multiple levels.

In 2024/25, the Group strengthened adoption through sector-specific awareness sessions and digital learning interventions, ensuring teams understood how these behaviours translate into day-to-day excellence. Within Cinnamon Hotels & Resorts, six Success Drivers were selected for organisation-wide implementation, reflecting the capabilities most critical to hospitality performance and leadership continuity.

Today, the Success Drivers are fully embedded across Cinnamon's people systems—integrated into performance management as a consistent basis for assessment, informing training and development priorities, and continuing to feature in ongoing employee awareness initiatives. This ensures competencies are not treated as standalone expectations, but as measurable behaviours that guide coaching, development planning, and sustained performance across all levels.



1. INCLUSIVE LEADERSHIP

- Inclusivity & diversity
- Collaboration & open communication
- Compassion & empathy
- Coaching & mentoring
- Upholding values



2. CONNECTING THE DOTS

- Big picture perspective
- Multidisciplinary approach
- Critical thinking
- Value driven approach



3. BEING AGILE

- Adapting to change
- Thriving in uncertainty
- Bouncing back from adversities
- Rapid experimentation approach
- Solution-oriented growth mindset



4. RELENTLESS EXECUTION

- Action orientation
- Prioritisation
- Effective time management
- Focus & commitment



5. STORYTELLING

- Impactful communication
- Inspiring people
- Creative ways of engagement
- Active listening



6. 360 STAKEHOLDER COMMITMENT

- Passion for all stakeholders
- Building synergies
- Trust & credibility
- Commitment to financial outcomes + ESG

The Hotels Group's Compensation Policy is as follows:

Performance Management	Satisfaction
'Pay for performance' Manager and above colleagues are eligible for a performance bonus, with EBITDA serving as the gatekeeper.	'More than just a workplace' Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprises fixed (base) payments, short-term incentives and long-term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long-term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under/over compensated.

During the year, a comprehensive designation levelling and salary band realignment exercise was carried out to align ourselves with benchmarked international players. This is in line with our policy of ensuring internal and external equity.

Employee Share Option Plan

JKH Employee Share Option Plans are offered at defined career levels based on pre-determined criteria, which are uniformly applied across the eligible levels and performance levels. These long-term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and are seen to be a key driver of performance-driven rewards. Share options are awarded to individuals based on their immediate performance and the potential importance of their contribution to the Group's future plans.

JKH issues share options not exceeding a specified percentage of the total issued shares of JKH as at the date of awarding every such option, which is subject to, in principle, approval of the Exchange and shareholder approval by way of a Special Resolution at a General Meeting.

6.3 Integrated Risk Management

The Company and Hotels Group's risk management programme focuses on wider sustainability development. It aims to identify, evaluate, and manage significant Group risks and stress test various risk scenarios, including a review of materiality. The programme ensures that the multitude of risks arising from the JKH Group's diverse operations are effectively managed to create and preserve stakeholder wealth. The Company and Hotels Group manage their enterprise risk, audit, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic, and virtual risk registers linked to business goals and responsible personnel. Features such as timely alerts on action plans and escalation processes for risks where action plans are overdue ensure the maintenance of live risk grids.

Continuous steps taken towards promoting the Company and Hotels Group's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/ procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Support executives/managers in moving the organisation forward in a cohesive, integrated, and aligned manner to improve performance while operating effectively, efficiently, ethically, and legally within the established limits for risk-taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the relevant risks, while the Board has visibility of all Hotels Group risks.
- Update of the Enterprise Risk Management (ERM) platform to improve performance and include the latest features.

The Board, GEC and Group Management Committee, and the Cinnamon Executive Committee oversee risk management across the Company and Hotels Group to ensure that risks are brought within tolerance, managed and/or mitigated.

Please refer to the Risk Management Report on page 46 and the Notes section of the financial statements.

6.4 Information Technology (IT) Governance

IT governance stewardship roles are structured through layered, nested committees that cascade from the GEC to the Group IT Steering Committee to the Group IT Operation Committee, with well-defined roles and responsibilities at the Group, industry group, and business unit levels.

The Company's IT governance framework focuses on five broader segments: strategic alignment, value delivery, performance management, risk management, and resource management. Additionally, the IT governance framework used in the Hotel group leverages best practices and industry-leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO(Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), among others, in formulating a state of- the-art framework for IT governance, risk and compliance management across the Group.

The Company continually focuses on enhancing the IT governance framework in line with its business and IT strategies, with a focused shift towards a zero-trust model built on a mobile- first, internet-first, cloud-first and AI-first strategy.

6.4.1 Key Initiatives during the year:

Transition to SAP RISE:

- following commencement from the previous year, the Company and the Hotels group advanced several strategic initiatives to strengthen governance, modernise core systems, and enhance enterprise-wide controls. A key milestone was the successful transition to SAP RISE in partnership with an international consulting firm. The transition was executed in a phased manner within the Hotels Group, establishing a standardised, cloud-enabled platform that significantly improved integration, data consistency, and operational resilience.
- The enhanced data architecture enables real-time visibility of performance, supporting faster and more informed decision-making, while advanced analytics and dashboards strengthen performance management and responsiveness. The platform

further streamlines processes, reduces manual intervention, and enhances accuracy, control, and auditability, with improved scalability and security derived from the cloud environment.

- In parallel, the adoption of SAP Signavio has strengthened process intelligence and continuous improvement, enabling data-driven monitoring and optimisation of end-to-end processes. This enhances standardisation, transparency, and governance, supporting improved efficiency and alignment with business objectives across the Group.

Zero Trust Security Model:

- The Company strengthened its adoption of the Zero Trust Security Model, enhancing controls across identity, devices, networks, applications, and data.
- Key improvements during the year included enhanced identity-based access controls, strengthened network security, and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring, and policy enforcement.

These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across Hotel Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience.

6.5 Tax Governance

The tax governance framework and strategy of John Keells Hotels PLC and its subsidiaries are designed to ensure responsible tax practices that are deeply aligned with the Group's broader Environmental, Social, and Governance (ESG) commitments. The framework is built on the core principles of compliance, transparency, and stakeholder engagement. It ensures that tax-related decisions support sustainable business practices and uphold ethical corporate behaviour.

The Company and Hotels Group recognises its responsibility to meet all tax obligations in accordance with fiscal legislation while balancing value creation for investors with its broader societal responsibilities.

Stakeholder tax-related concerns are identified and managed through established governance and compliance frameworks.

Key Components of the Framework

Prioritise abreast of evolving local and international tax laws and regulations. This is vital to avoiding non-compliance and mitigating potential reputational risks within the diverse jurisdictions in which the Company and Hotels Group operates.

Provide clear and transparent tax disclosures to the stakeholders. This ensures that our tax strategies and practices are easily understood and aligned with recognised reporting standards.

Manage tax obligations in a socially responsible manner, ensuring that our contributions to the economies of the countries where we operate are balanced with our commitment to shareholder interests.

Ensure these principles are embedded across our operations, all business units within the Company and Hotels Group adopt the Group Tax Policy. This policy is continuously updated to reflect evolving tax legislation and regulatory practices.

The policy is communicated and implemented through the respective finance and tax heads, ensuring that tax considerations are a fundamental part of the Company and Hotels Group's operational and financial decision-making. This integration guarantees that day-to-day decisions by our properties and central teams remain consistent with the Group's overall tax principles and its long-term ESG commitments.

Governance Structure

1. The JKH Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director of JKH who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
2. Voluntary compliance and efficient tax management are key aspects of the JKH Group's overall tax strategy.
3. This is enabled through a decentralised tax structure where expertise is built at each industry group level. The Head of Tax of each industry group reports functionally to the Group Head of Tax, ensuring compliance and implementing the Group tax strategy across all businesses.
4. The Head of Tax of the leisure group, reporting functionally to the JKH Group Head of Tax, ensures uniformity of interpretation, robust compliance management and roll-out of the JKH Group tax strategy across all businesses.
5. The JKH Group Head of Tax provides periodic updates to the GOC and senior finance teams on significant tax matters, including risk exposures, compliance outcomes, and strategic tax positions, at the scheduled monthly meetings, ensuring executive- level accountability.

Policy and Strategy

Ensure:

1. Integrity of all reported tax disclosures.
2. Robust controls and processes to manage tax risk.
3. Openness, honesty and transparency in all dealings.

4. Presence of legitimate business transactions underpinning any tax planning or structuring decision/ opportunity.
5. Contribute to fiscal policy decisions constructively in the interest of all stakeholders.

The JKH Group approach to tax risks follows a structured process.

- Tax risks are identified through periodic tax risk assessments, review of transactions prior to transactions, and ongoing monitoring of relevant legislative developments.
- These risks are managed through appropriate mitigation measures, including technical assessments, obtaining external tax opinions where necessary, and established approval processes for significant tax positions.
- Monitoring of such risks is carried out through compliance dashboards, regular tax team meetings, and escalation of material risks to the audit committee.

Role

1. Implement and maintain strong compliance processes.
2. Analyse and disseminate business impact from changes in tax legislation.
3. Provide clear, timely, and relevant business focused advice across all tax aspects.
4. Ensure the availability of strong and well-documented technical support for all tax positions.
5. Obtain independent/external opinions where the law is unclear or subject to interpretation.
6. Foster healthy professional relationships with all regulatory authorities

Review and Monitoring

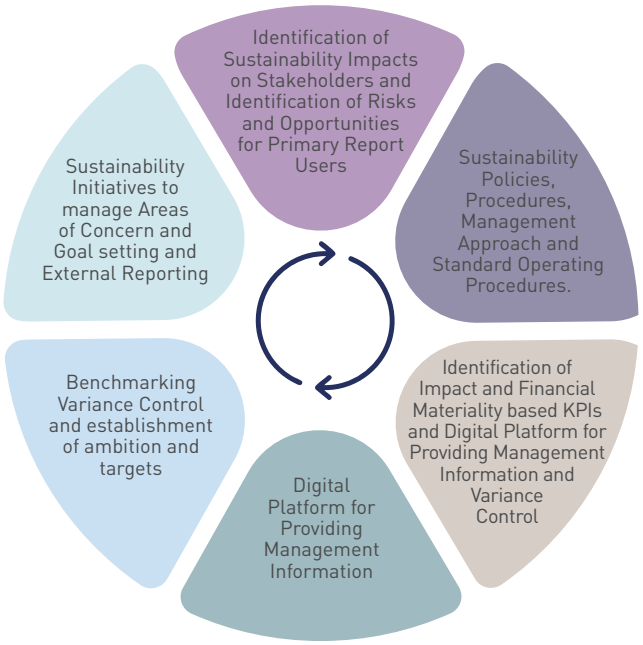
1. Leverage digital platforms to support, record and report on tax compliance status across the Group.
2. Periodic updates to the Board of Directors on various tax matters (quarterly at a minimum).
3. The Company's and the Hotels Group's approach to tax governance is directly linked to the sustainability of business operations. The presence of a well- structured tax governance framework ensures the following:
    - Ability to manage tax efficiently by reducing the tax burden on the Group within the ambit of applicable laws.
    - Manage tax risks and implications on Group reputation through adequate policies, proactive communication and defence.
    - Facilitate healthy relationships amongst stakeholders, the Government and tax authorities.
    - Ensuring the integrity of reported numbers and timely compliance.

6.6 Sustainability Governance

The Company and Hotels Group remains steadfast in its commitment to responsible business practices and the integration of environmental, social, and governance (ESG) considerations into its hospitality operations. Sustainability is a strategic priority, integrated within day-to-day operations through the John Keells Group's overarching Sustainability Management Framework (SMF).

The SMF involves an annual internal materiality assessment, which, as of the current reporting year, is carried out on a double materiality basis, alongside independent stakeholder engagements that occur approximately biannually. The outcomes enable the Company and Hotels Group to identify its impact and financial materiality topics. The SMF requires the continuous review of policies and standard operating procedures to manage these material topics and integrates financially material topics into the Enterprise Risk Management (ERM) process. Key Performance Indicators (KPIs) are established to track performance based on the GRI Standards (for impact materiality), the Sustainability Accounting Standards Board (SASB) Standards, and scenario analysis (for financial materiality).

The KHL Group utilises an integrated sustainability performance management system to collect data at the property level. This data is consolidated and presented to the Group Executive Committee (GEC) and the Hotels Group Management Committee (Sector GMC) monthly for performance review and corrective action.



The Company's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance, and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

Adoption of SLFRS S1 and SLFRS S2

Pursuant to the adoption of SLFRS S1 and SLFRS S2 - the sustainability related financial and climate related disclosure standards issued by CA Sri Lanka - the JKH Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, JKH Group wide gap analysis. Based on the findings of this assessment, the JKH Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants to build internal capability and deepen understanding of the standards and their implications for the JKH Group's reporting and governance processes. These sessions were attended by key stakeholders, including the JKH Group Deputy Chairperson / Group Finance Director, members of the Group Executive Committee, and representatives from the Sustainability, Risk, Corporate Finance, and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability related disclosures.

To strengthen governance and strategic oversight, the Group established the ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability related impacts, risks, and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the Group progresses towards full implementation.

The Board holds ultimate responsibility for overseeing the Company's sustainability impacts on the economy, environment and people, sustainability and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Company's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and Sector-level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/ S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while the same simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.

6.6.1 Governance structure of the ESG and Sustainability Steering Committee:



As the Hotel Group develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

6.6.2 Governance: roles, mandates, procedures

Responsibilities for SRROs/CRROs and broader impact management are embedded within the Hotel group's governance framework and formalised by the Board and the Leisure GMC. These responsibilities also extend to the governance and management of material sustainability impacts identified through the Hotel group's double materiality assessment, which serve as the starting point for identifying related risks and opportunities.

Aligned with the Hotel group's corporate governance framework, the Board has delegated primary responsibility for implementing and managing impacts and CRROs/SRROs to the Leisure GMC.

Such delegated responsibilities seek to ensure that the Board has clear oversight of the management and mitigation of impacts caused by the Hotel group's operations on the environment, society and the economy, as well as of the management of the risks and opportunities arising from Sustainability and Climate-related matters, thereby aligning with both the Global Reporting Initiative's (GRI) impact materiality, which focuses on broad stakeholder groups, and the SLFRS S1 and SLFRS S2 requirements on financial materiality, which focus on investors and primary report users.

The governance pathway for the above-mentioned impacts, sustainability and climate-related matters is designed to ensure clear accountability and timely escalation.

The Board monitors performance and risk and will support the development of recommendations on material impact topics, as well as on sustainability and climate-related matters. These matters are assessed using a double materiality lens, considering both the significance of the Hotel group's impact on the external environment and society, and the financial risks and opportunities arising from those impacts and from key value chain dependencies.

The Board serves as the principal decision-making body for sustainability impacts, broader sustainability-related risks and climate-related risks. It reviews Leisure Group GMC's recommendations, approves key actions and ensures their integration into sustainability impact management, mitigation, strategy and risk management.

The Board considers material matters escalated by the Leisure GMC and provides strategic direction, challenge and approval for major sustainability commitments, including the Hotel group's climate ambitions and transition plan once finalised.

This structure ensures that broader environmental, social and economic impacts, as well as SRROs/CRROs, are embedded in operational decision-making, resource allocation and JK Hotels' performance management, while maintaining appropriate Board-level oversight.

Performance on material sustainability impacts, SRROs and CRROs, and on mitigation actions and metrics is communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level. Impact-related information, including material impacts identified across the value chain, is communicated through the same cycle, ensuring a unified governance and escalation pathway for impacts, risks and opportunities.

6.6.3 The Board

The Board is responsible for the overall governance of sustainability topics that impact broader stakeholder groups, as well as the SRROs/CRROs, as set out in the Board Charter. The Board's role includes:

- Overseeing material sustainability impact topics, SRROs/CRROs and their implications for long-term value creation and approving related governance actions.
- Assessing sustainability impacts, strategies for impact mitigation and management, SRROs/CRROs during JK Hotels Board Meetings, which are held quarterly, or as frequently required, ensuring alignment with the JK company's strategic direction and evolving external expectations.
- Ensuring the company maintains systems, controls, policies and skills to bring decision-useful SRROs/impact information to the Board on a timely basis.

Information flow and frequency

The Board approved policies and impact-based KPIs and oversees capital allocation. As climate ambitions are developed, the JK Hotels Board's current focus is on addressing emerging climate risks and integrating climate considerations into long-term planning. The Board will review and approve the climate ambitions and transition plan upon completion.

The Board receives regular and structured information, primarily through the GEC, unless otherwise noted. These include:

- Quarterly reports on sustainability disclosures, internal controls, and assurance outcomes.
- ERM reports integrating climate risks in the Group risk register.
- Dashboards, sector summaries and ad hoc briefings on significant regulatory developments or ESG incidents

Skills and expertise

The JK Hotels Board's diverse expertise spans finance, strategy, risk, governance, operations, technology and regulation. Refer to the Board Profiles section (page 157) of this Report for further details.

6.6.4 ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating the sustainability agenda. Responsibilities include consolidating value-chain analyses, recommending strategies to the GEC and Board, and supporting compliance with external standards.

Information flow and frequency

The Committee receives quarterly dashboards and formal reporting from the Sector GMC to coordinate oversight, including risk reporting, sector ESG performance reviews, and updates on methodologies.

Skills and expertise

The Committee maintains its competence through periodic briefings on emerging climate and regulatory developments, participating in internal capacity-building, and engaging subject matter experts to ensure its approach to target-setting and impact mitigation remains robust.

6.6.5. Leisure Group Management Committee (Leisure GMC)

Leisure GMC is responsible for implementing the company's ESG strategy as well as its sustainability and climate-related strategies and initiatives through established committees, reporting lines, and internal controls. The Leisure GMC committee convenes monthly.

Delegation and oversight

The Leisure GMC is pivotal to the company's sustainability governance framework, serving as the sector-level leadership body dedicated to embedding sustainability impact management and SRROs/CRROs in the operational and strategic decision-making processes. Their primary responsibility is to translate the company's key sustainability topics, along with its ESG and climate goals set by the board and guided by ESSC oversight, into actionable strategies specific to the leisure sector.

In fulfilling this role, the Leisure GMC leads the development of leisure sector-level sustainability and ESG priorities, ensures alignment with long-term value creation, and oversees the integration of sustainability considerations into capital projects, resource allocation decisions and operational enhancements for the leisure sectors, whilst ensuring responsible business operations.

Leisure GMC responsibilities include:

- Translate the company's sustainability priorities into actionable plans and roadmaps. This involves embedding sustainability considerations into the leisure-sector business plan, operational improvements, and resource allocation. Clearly assign ownership, set timelines, and define KPIs to facilitate execution and monitoring.
- Identify SRROs/CRROs across the value chain; assess their potential sustainability impact; and define practical responses and accountable owners for mitigation, adaptation or opportunity capture.
- Monitor emerging regulatory, market and technology developments; assess implications; and strengthen readiness through targeted training and capacity-building for committee members and relevant teams. Maintain a leisure-sector policy/market tracker and documented readiness actions.
- Propose goals, targets and KPIs; establish baselines and measurement methodologies; track and report progress; and validate the completeness, accuracy and credibility of sector inputs (including underlying data controls and documentation) to support assurance readiness.
- Ensure sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment, and key implementation dependencies. Document trade-offs and proposed mitigation measures for decision-makers.
- Reporting and escalation: Review sustainability reporting inputs from the leisure sector and escalate material issues. This includes significant impacts and incidents, emerging risks, or material deviations through established reporting channels.

Oversight is exercised by the Leisure GMC, supported by the ESSC (executive oversight), through structured escalation and reporting:

- Provides regular submissions to the board quarterly covering sector performance, sustainability impacts, SRRO and CRRO shifts, emerging issues and key deliverables.
- Consolidates leisure sector insights, applies cross-Hotels Group consistency checks, and elevates material matters from a double materiality perspective and recommendations to the ESSC.
- Reviews material items and strategic implications, and escalates matters to the Leisure GMC where decisions, direction or approvals are required.

6.6.6 Management's Responsibilities and Role

Management is responsible for operationalising the Hotel group's sustainability impacts, strategies, and initiatives through defined committees, reporting lines, and internal controls. Execution is delegated to the Hotels Group, with oversight exercised through structured reporting to the Board, which consolidates leisure-sector insights and elevates material matters to the ESSC.

The execution of sustainability impact management strategies, as well as sustainability- and climate-related strategies and initiatives, is delegated to the Hotels Group.

Management is responsible for the preparation and submission of timely, accurate, and complete operational, financial, sustainability, and risk-related information in accordance with established reporting frameworks and internal controls. This includes the preparation of periodic reports covering sector performance, sustainability impacts, movements in strategic and climate-related risks and opportunities (SRRO and CRRO), key deliverables, and emerging matters. Management is further responsible for ensuring the integrity, consistency, and reliability of information through appropriate review, validation, and consolidation processes across all operating units. This includes the application of appropriate assessment criteria, including a double materiality perspective, to identify and evaluate matters of financial and non-financial significance.

Management shall ensure that material matters and significant developments are identified on a timely basis, appropriately analysed, and supported by relevant recommendations. Such matters shall be escalated through formal reporting channels to facilitate informed decision-making and, where required, to obtain necessary strategic direction and approvals. Management is also responsible for maintaining effective internal controls and processes to support transparent reporting, enable effective oversight, and ensure alignment with the strategic objectives and governance requirements of the Company and Hotels Group.

These approach ensures that sector-level execution remains closely connected to Group-level oversight and decision-making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision-useful sustainability- and climate-related disclosures.

6.6.7 Controls and procedures

Sustainability impacts and Sustainability-related and Climate-related information are captured at the business unit level and channelled through a defined pathway to the Leisure GMC and the board. Material issues, assessed for both impact and financial materiality, are escalated in accordance with the Leisure Sectors' sustainability and risk management framework. Management uses formal controls and procedures to support climate oversight, including the Sustainability Management Framework, integrated ESG data systems, internal audit processes, cross-functional coordination mechanisms, and standardised risk identification and reporting processes.

6.6.8 Integration into strategy and decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the company's overall strategy, major decisions, risk management framework and impact mitigation activities. In doing so, the Board considers how these matters may influence the business model and its corporate responsibility efforts, and how to ensure that impacts on the economy, environment and society are managed, organisational resilience and long-term value creation are maintained, and they are addressed through appropriate governance, policies and management actions.

When developing and refining the company's strategic priorities, the Board assesses sustainability impacts, CRROs, and SRROs. This evaluation includes examining how these factors may affect long-term competitiveness across business units, identifying opportunities for energy efficiency and resource optimisation, and ensuring alignment with emerging regulatory expectations. The Board also considers the readiness of business units to support future climate objectives while ensuring responsible business operations that meet the expectations of a wide range of stakeholders, including investors.

In evaluating significant investments, the Board's assessment will incorporate considerations of exposure to both physical and transitional climate risks, potential impacts on operating costs, asset resilience, and long-term value in line with emerging climate-related commitments. These evaluations will also take into account the material impacts on society and the environment and assess any potential trade-offs between short-term financial performance and long-term impact outcomes.

The Leisure Group Management Committee (GMC) translates the Board's priorities into sector-level actions, decision-making inputs, and performance monitoring. It provides the Board with structured analyses by consolidating insights from operational leaders and functional experts, including finance, risk, legal/compliance, human resources, and operations, ensuring that recommendations reflect both practical execution realities and governance expectations.

Leisure GMC supports our strategy in the following ways:

- It aligns leisure sector plans and key initiatives with the company's sustainability and ESG priorities while identifying any gaps in delivery.
- It assesses emerging Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related-Risks and Opportunities (CRROs), translating these into clear implications for our business plans.
- It ensures that material investments incorporate decision-useful sustainability inputs, such as the impacts on broader stakeholder groups, relevant SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations, and proposed mitigation strategies.

When the board reviews material investments, it applies a consistent evaluation framework to identify what management needs to address before making decisions. This includes evaluating the impact on key stakeholders, society, and the environment, as well as considerations for organisational resilience, cost and feasibility implications, delivery dependencies, and reporting requirements. Additionally, the ESSC enhances the quality of trade-off discussions by outlining

practical options, helping decision-makers balance short-term performance with long-term commitments and risk exposure.

6.6.9 Targets, Monitoring, and Remuneration

The Board of Directors oversees the development of targets related to the Group's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the GEC in collaboration with the ESG and Sustainability Steering Committee and sector GMCs, who are currently leading the development of the Group's sustainability impact targets, including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus, through the ESG and Sustainability Steering Committee, is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates to the Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Group has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

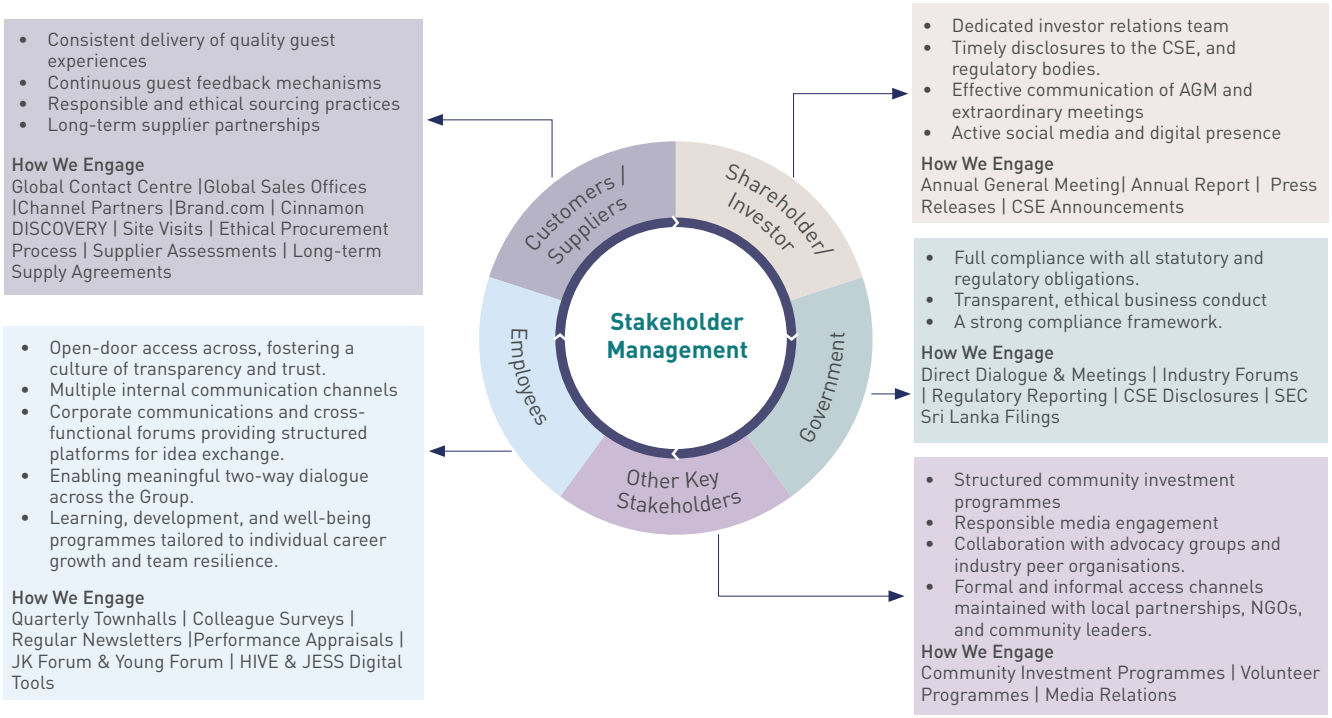
The Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Group's climate ambitions and transition pathways are developed by the ESG and Sustainability Steering Committee and approved in accordance with the Group approval matrix.

6.7 Stakeholder Management and Effective Communication

Stakeholders play a crucial role in the Company and the Hotels Group, contributing labour, capital, and market demand. The Company is committed to transparently communicating its ambitions to its diverse stakeholder groups and actively seeks their input to refine its initiatives. With well-defined objectives aligned with its sustainability and business goals and targets, the Company prioritises achieving these commitments across the short, medium, and long term.

The following are the key stakeholder management methodologies adopted by the Group. The group has multiple channels enabling effective communication, where material concerns regarding the operations of the Group are addressed.

Internally, the Company and Hotels Group's stakeholders include business units and employees. Externally, they engage with shareholders, investors, lenders, customers, suppliers, business partners, government bodies, regulators, industry peers, advocacy groups, media, and the wider community. Through ongoing dialogue and collaboration, the Company and Hotels Group strive to integrate diverse perspectives into its sustainability efforts. The stakeholder engagement approach is detailed in "Listening to our stakeholders" on page 32.



6.7.8 Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensures that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the Group's governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to the Group's shareholders and investors, such as disclosures of material and financial information, Annual Reports, press releases, and website management.

Corporate disclosures and relations with shareholders and investors are primarily managed centrally at John Keells Holdings PLC on behalf of the Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practices and the strategic interests of the Group and its stakeholders.

A mechanism is in place under the policy to keep Directors aware of major issues and concerns raised by shareholders.

6.7.9 Communication with Shareholders

The Company encourages effective communication with shareholders through multiple channels, including the AGM, EGM, Annual Report, Interim Financial Statements, press releases, social media platforms, and announcements to the CSE. The Board recognises its responsibility to present a balanced and understandable assessment of the Company's financial position, performance and prospects, and is committed to fair disclosure, with an emphasis on the integrity, timeliness and relevance of the information provided, so as not to create a false market.

Shareholders may also, at any time, direct queries and concerns to Directors or Management of the Company through the Company Secretaries—Keells Consultants (Pvt) Ltd. The Company Secretaries maintain a record of all correspondence received and keep the Board apprised of issues raised by the shareholders to ensure that they are addressed appropriately. Matters raised in writing are responded to in writing directly by the Company Secretaries as relevant.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
JKH Investor Relations Webinar	Quarterly
JKH Investor presentations	As required, quarterly at a minimum
Transcript of the JKH Investor Relations Webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Investors' section in the Corporate website	Continuous
Feedback surveys	As required

6.7.10 Investor Relations

- The JKH Group's Investor Relations team actively dialogues with shareholders, potential investors, investment banks, analysts, and other interested parties to ensure effective investor communication.
- The Investor Relations team has regular discussions with shareholders, as and when applicable, to disseminate highlights of the Hotel Group's performance and obtain constructive feedback.
- The online quarterly investor forums allow stakeholders to directly engage with the Chairperson and the Deputy Chairperson/ Group Finance Director. The recording and the transcript of the investor forum are made available on the corporate website for reference by all stakeholders/ shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the JKH corporate website to provide easier access and in-depth detail of the operational performance of the Company and Hotel Group.
- Annual Investor Presentations, detailing an overview of the Company and Hotel Group with financial and non-financial performance indicators, are made available on the corporate website to provide easier access and in-depth detail of the overall Group.
- Shareholders may, at any time, direct questions, request publicly available information, and provide comments and suggestions to Directors or management of the Company by contacting the Investor Relations team, Secretaries or the Chairperson. However, individual shareholders are encouraged to conduct adequate analysis or seek independent advice on their investing, holding, or divesting decisions at all times.

6.7.11 Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible for ensuring the accuracy and timeliness of published information and for presenting a true and fair view, and a balanced assessment of results in the quarterly and annual financial statements.

Accordingly, the Company has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price-sensitive information about the Company is promptly communicated to the CSE and to the relevant stakeholders.

The Company focuses on open communication and fair disclosure, emphasising the integrity, timeliness, and relevance of the information provided. It ensures that information is communicated accurately and in a manner that will avoid the creation or continuation of a false market.

6.7.12 Constructive use of the Annual General Meeting (AGM)

The AGM is the primary mechanism for the Board to interact with shareholders and account to them, and it allows shareholders' views to be heard. At the AGM, the Board provides an update to shareholders on the Company's performance, and shareholders may ask questions to clarify matters prior to voting on resolutions. It is the key forum for shareholders to engage in decision-making matters reserved for them, including proposals to adopt the Annual Report and Accounts, to appoint Directors and Auditors, and other matters requiring special resolutions as defined in the Articles of Association or the Companies Act. The Chairperson ensures that the Chairperson of the Audit Committee, Board members, members of other Board Committees, key management personnel, and External Auditors are present to respond to any queries shareholders may raise.

The Company maintains records of all resolutions and applicable information upon a resolution being considered at any General Meeting and provides copies upon request to the CSE and/or the SEC and communicates the outcomes of these meetings via an announcement to the CSE.

The Company makes use of the AGM constructively towards enhancing relationships with the shareholders, and towards this end, the following procedures are followed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report no later than 15 working days before the AGM.
- A summary of procedures governing voting at the AGM is communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are made available to answer queries.
- The Chairperson ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes are counted for, against, and withheld (abstained).
- The AGM for the year was held virtually, complying with the guidelines issued by the CSE.

6.7.13 Serious Loss of Capital

In the rare circumstance that the Company's net assets fall below half of its stated capital, shareholders will be notified, and the requisite resolutions outlining the proposed way forward will be passed.

6.7.14 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company will seek shareholder approval, either via special or ordinary resolution as permitted under applicable law and the Company's articles of association, when transactions and events that are material in the Company's context occur or are undertaken in line with all applicable rules and regulations.

7. ASSURANCE MECHANISM

The Assurance Mechanisms comprise the various supervisory, monitoring, and benchmarking elements of the Company and the Hotels Group Governance System, which are used to measure 'actuals' against 'plan', with a view to highlighting deviations, signalling the need for quick corrective action, and ensuring quick redress when necessary. These mechanisms also act as 'safety nets' and internal checks in the Governance system. The Company and the Hotels Group also conduct internal and external audits at least annually. As outlined in the following sections, the Company and the Hotels Group have various mechanisms for escalating concerns at the Board or GEC level. Other than matters related to significant transactions linked to the operations of the Company and the Hotels Group, there were no critical concerns that had a material adverse effect on the Company and the Hotels Group raised during the year.

7.1 Code of Business Conduct & Ethics

The Code of Conduct serves as a vital conduit between the Company and Hotels Group's overarching governance framework (including our internal policies) and its employees across all properties and corporate offices. It serves as the primary tool that operationalises our governance framework into day-to-day hospitality operations.

During the year, in alignment with the parent company, the Company and Hotels Group revisited and updated its Code of Conduct. This provides our teams with a clearer, more comprehensive, and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements, and emerging environmental and workplace considerations unique to the tourism sector.

The Code of Conduct is formally incorporated into the contract of employment for every team member. For new joiners at the executive level and above, the content of the Code and internal policies is comprehensively covered via a structured induction to the Group and a mandatory e-learning module. To ensure complete accessibility and understanding across our diverse property-level workforce, copies of the Code are made available in local languages, including Sinhala and Tamil, for employees who are more conversant in those languages.

Through the Code of Conduct, all corporate governance policies apply universally to all employees and Directors. The Company and Hotels Group Leadership-comprising the Board of Directors and the Hotels Group Management Committee (Sector GMC)—spearheads the implementation and consistent application of the Code across the Hotels Group.

The objectives of the Code of Conduct are strongly affirmed by the Cinnamon values and our key governing principles, which are enumerated below. These principles are deeply institutionalised at all levels within the Hotels Group through structured, ongoing communication and training.

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

The Company and the Hotels Group adhere to the JKH Group Code of Conduct, which reflects a unified set of corporate values and governs all employees, including Directors. Established by the Board, these guidelines promote cohesive growth, ethical behaviour, and legal compliance. The Code is actively communicated across all levels to reinforce awareness and sustain stakeholder trust.

The Code of Conduct also entails conformance to all JKH Group policies, and includes, amongst many others, policies on gifts, entertainment, facilitation payments, and proprietary and confidential information. Policies on anti-fraud, anti-corruption and anti-money laundering and countering the financing of terrorism and JKH's Code of Conduct, amongst other policies, also encompass:

- anti-bribery controls to prevent payments and contributions being made with the aim of obtaining an improper business benefit from any party, including, but not limited to, clients, service providers, customers, business associates and political parties; and

JKH Group's ethical business practices, adopted by the Company and the Hotels Group;

- Seeks to ensure that ethical business practices are adhered to from the most senior to the most junior employee, including the Board of Directors. All Group companies have established procedures and processes to prevent and reduce corruption and bribery. Each business unit is expected to assess the risk of corruption as part of its risk management process and implement mitigation measures. Transparent control and prevention mechanisms extend this expectation to the entire value chain, including customers, suppliers, and business partners.
- The Company analyses all its business units and functions, incorporating the risk of corruption into its risk management process. Additionally, the Company maintains a zero-tolerance policy towards bribery and corruption.
- Implements stringent checks during the recruitment process to ensure compliance with minimum age requirements. Ensures that all businesses are educated on potential sources of forced and compulsory labour.
- It is committed to upholding the universal human rights of all its stakeholders.
- It is an equal opportunity employer and has a zero-tolerance policy against physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations, or opinion

- Controls on gifting and favours

The giving or accepting gifts or favours in whatsoever form, including from clients, service providers, customers, business associates and political parties and any other stakeholder we engage with in the course of carrying out duties in our professional capacity, is prohibited if it was possible on the part of a 'reasonable person' to conclude that the giving/ acceptance of such gifts or favours could directly or indirectly affect one's independence in decision making and conduct as an employee and/or if others could see it as a consideration for an official or business favour. The 'reasonable person' test should also be applied regarding charitable donations and sponsorships (financial or in-kind).

If a gift or benefit with a threshold above USD 50 per gift is given or received due to business exigencies, it is monitored to ensure compliance with the Group's policies, including those on gifts and entertainment. Such exceptions must be reported to the respective Finance Head of the business (the Chief Financial Officer or Sector Financial Controller), who collates and monitors them centrally.

NO GIFT

Our Stakeholders are kindly requested to refrain from giving gifts to our personnel for all occasions, as part of our commitment to good corporate governance

During the year under review, the Company continued to strengthen its internal policy framework in line with best practices and the revised CSE Listing Rules. This included reviewing interdependencies among its policies, revamping existing policies, and formalising processes already in place by introducing overarching policies for them. As part of this effort, the JK Group's Code of Conduct is currently being revamped to consolidate all employee expectations into a single, more informative, and comprehensive policy document.

A strong set of values, institutionalised at all levels within the Group through structured communication, strongly affirms the objectives of the Code of Conduct. The degree of employee conformance with Values and their degree of adherence to the JKH Code of Conduct are key elements of the reward and recognition schemes.

The Code is underpinned by strong Group Values, communicated across all levels, and embedded in performance and reward systems. The chairperson and senior leadership consistently reinforce these values in employee and stakeholder engagements to embed them deeply within the organisation's culture.

7.2 Chairperson Direct

The Company and Hotels Group has a formal mechanism that enables both shareholders and employees to communicate directly with the Chairperson regarding critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

7.3 Key Internal Policies

The Company and Hotels Group's policy framework is largely aligned with the JKH Group's and tailored to the industry's specific requirements wherever relevant. Policies are reviewed and updated regularly to ensure relevance to internal dynamics and the external landscape.

Key internal policies of the Group;

- Policy on Conduct and Business Ethics
- Code of Conduct, which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information
- Policy on diversity, equity and inclusion, including a gender policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Information Technology (IT) policies and procedures, including data protection, classification and security
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Insider trading policy
- Supplier Code of Conduct
- Policy against sexual harassment
- Policy on Matters Relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Nominations and Re- election
- Policy on Remuneration
- Policy on Relations with Shareholders and Investors
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on the Engagement of the External Auditor for Non-Audit Services
- Policy on Anti-Bribery, Anti- Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Enterprise Risk Management and Internal Controls Policy
- Policies on products and services
- Recruitment and selection, rewards and recognition, and learning and development polices
- Policies on whistleblowing (speak up policy), grievance handling and disciplinary procedures
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies
- Policies on fund management and foreign exchange risk mitigation
- Ombudsperson policy
- Environmental, Social and Governance (ESG) and Sustainability Policy

The JKH Group policy commitments are available to all employees of the Company and Hotels Group via the employee portal. These policy commitments are approved by the Group Executive Committee with Board oversight. No material changes were made to the Group policies during the reporting period, and all the policies were complied with, and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review. The Company is in the process of making available all applicable policies in the public domain as required by applicable laws, rules and regulations.

Key Initiatives During the Year

During the year under review, the Group strengthened its ESG and Sustainability Policy in alignment with the implementation of SLFRS S1 and SLFRS S2 disclosure requirements. The policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards.

7.4 Ombudsperson

An Ombudsperson is available to report any complaints from employees about alleged violations of the published Code of Conduct if the complainant feels that the alleged violation has not been satisfactorily addressed by the internally available mechanisms

Following an independent inquiry, the findings and recommendations of the Ombudsperson are confidentially communicated to the Chairperson-CEO of JKH or the Senior Independent Director of JKH, as appropriate, upon which the Ombudsperson's direct involvement in the matter ceases.

On matters referred by the Ombudsperson, the Chairperson-CEO of JKH or the Senior Independent Director of JKH, as the case may be, will place before the Board of JKH:

i. The decision and the recommendations arising from the inquiry.

ii. The action taken or proposed to be taken based on such recommendations.

iii. Where the Chairperson-CEO of JKH or the Senior Independent Director of JKH disagrees with any or all of the findings and/or recommendations, the areas of disagreement and the reasons thereof.

In the circumstance described in (iii) above, the Board of JKH is required to consider the areas of disagreement and determine the appropriate way forward. In all instances, the Chairperson-CEO of JKH or the Senior Independent Director of JKH is expected to take all necessary steps to ensure that no complainant who has invoked this process is subjected to victimisation in any form.

Reporting and Oversight

The Ombudsperson also provides periodic reports to the Board or the Audit Committee. These reports include a summary of the number and nature of complaints received, investigation outcomes, and recommendations for systemic improvements, ensuring that no personal or confidential information is disclosed unless required by law.

Tenure and Status

The current Ombudsperson is an attorney-at-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term of three to five years, which may be renewed at the option of the Board.

There were no critical concerns communicated to the highest governance body during the reporting period.

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO of JKH, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO of JKH and those to whom this authority has been delegated.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15 May 2026, being the date of this report.

No other issues that fall under the purview of the Ombudsperson have been brought to the attention of the Ombudsperson during the financial year that would indicate mismanagement, unfair treatment, or justified discontent on the part of any employee or ex-employee.

Ombudsperson
15 May 2026

7.5 Speak up (Whistle-blower) Policy

The Company and the Hotels Group continued to maintain their whistle-blower and securities trading policies. The Speak up Policy provides an effective mechanism for employees and other stakeholders to report any concerns regarding compliance and ethics. The Policy provides a transparent and confidential process that encourages reporting any such concerns. The Policy covers the reporting process, how such reports will be addressed and emphasises that those who make a report in good faith under the Policy will be protected from retaliation.

Key aspects of the Policy:

- Guidelines on the process through which concerns raised will be investigated and appropriate corrective/preventive action will be taken
- Designated persons to whom reports can be made.
- Management responses and steps taken
- Details of the internal inquiry process
- Maintaining confidentiality

The Speak up policy which was also established at Cinnamon hotels and Resorts (CH &R) serves as a vital framework to uphold ethical standards and protect colleagues who report unauthorised or unethical practices within the organisation. The anonymity and protection of the reporting employee is maintained and there is two-way communication with the management.

7.6 Employee Participation in Assurance

Employee engagement is encouraged at all levels, and the Company and Hotels Group continue to work towards introducing innovative and effective ways of employee communication and employee awareness. Whilst employees have many opportunities to interact with senior management, the Company and Hotels Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal. The whistle-blower and securities trading policies remain in effect, supporting transparency. Further, any of the communication channels mentioned here are available to any of the employees of the Company and Hotels Group through which employees can report suspected acts of corruption or breaches of anti-corruption policies. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up. The respective outcomes are duly recorded.

Employee Communication Channels

- Skip level meetings
- Exit interviews
- 360- degree evaluation
- Employee surveys
- Quarterly staff meeting
- Chairperson-Direct
- Ombudsperson
- Access to Senior Independent Director
- Continuous reiteration and the practice of the "Open-Door" policy

7.7 Internal Controls

The Board has taken necessary steps to ensure the integrity of the Company's accounting and financial reporting systems and that internal control systems remain robust and effective by periodically reviewing and monitoring such systems.

7.7.1 Internal Compliance and System of Control

A quarterly self-certification programme requires the Leisure industry group's President, CEO, COO and CFO to confirm compliance with statutory and other regulatory procedures and identify any significant deviations from the expected norms. The compliance statement, which gets collated every quarter and tabled at the respective Audit Committee meeting, is subject to periodic review and, where applicable, revised to reflect and capture any material changes that drive the macro and micro-operating contexts for reporting and monitoring purposes.

The Board has taken steps to obtain assurance that systems designed to safeguard the Company's assets and provide management information are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow-based escalation to facilitate timely clearing of all transactional entries, including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheque deposits, in line with international best practice and continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting to reinforce governance and assurance.

The Company has in place two integrated frameworks, the 'Fraud Deterrent and Investigation Framework' and the 'Process Review Framework', that complement each other to strengthen the Group's effort to promote anti- fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables a unified platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes

related to fraud, employs a data-driven approach to the continuous assessment of control efficacy, and assesses and deploys appropriate preventive and detective controls against fraud. The Integrated Process Review Framework provides an innovative approach to internal audits, which enables audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transaction as each traverse through each micro-value chain, at the time of audit reviews.

The digital system for quarterly financial and operational information management continues to perform as expected, facilitating data capture for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the evolution of the compliance posture at the entity level, among others. The Forensic Data Analytics platform feeds into 'Internal Audit Scoping' and continues to identify areas for process optimisation, strengthen controls, and enhance feedback reporting to reinforce governance (management) and assurance structures.

7.7.2 Initiatives to Strengthen Internal Controls

- In alignment with the JKH group-led migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to safeguard the integrity of user access controls. This exercise ensured that the transition from legacy systems to the new environment maintained a consistent and secure internal control framework. By validating access levels and rectifying anomalies prior to the "go-live" phase, the Group ensured that system security and operational continuity remained uncompromised.
- During the year, the Company strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the JKH Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation, and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- In parallel, the Company initiated a structured review of key operational processes - including Order-to-Cash, Procure-to-Pay, and Record-to-Report cycles - to identify opportunities for automation, digital re engineering, and improved data integrity across shared services, reinforcing the Company and hotel groups commitment to data-driven decision-making and responsible governance.
- The Company continued to enhance its Business Continuity Management (BCM) framework, adopting a structured, process-driven approach to safeguard operational resilience and protect stakeholder interests, while aligning with globally recognised standards such as ISO 22301:2019 and best practices recommended by Disaster Recovery Institute International (DRI). The framework incorporates proactive risk mitigation measures, regular testing, and governance oversight to support the uninterrupted functioning of critical operations during periods of disruption.
- During the year, the Company continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 09 of 2022, aligning practices with internal data protection principles and globally recognised standards.
- A dedicated Data Protection Officer (DPO) is in place at the Company, responsible for overseeing data protection practices within the Company and Hotel group. The DPO reports to the relevant Sector Data Governance Lead and President, and is supported by the JKH Group Data Governance Steering Committee, which provides strategic direction and oversight on data governance matters across the Group.
- Building on the previously completed gap analysis by external consultants, the Group continued to enhance its technical, security, and organisational controls during the year. Compliance is monitored through structured reporting channels, with DPOs submitting regular updates and the Audit Committee receiving periodic reports on compliance status, emerging risks, and ongoing improvements.
- JK Hotels, in line with the JKH Group's approach, continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving data protection requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year under review.

7.7.3 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

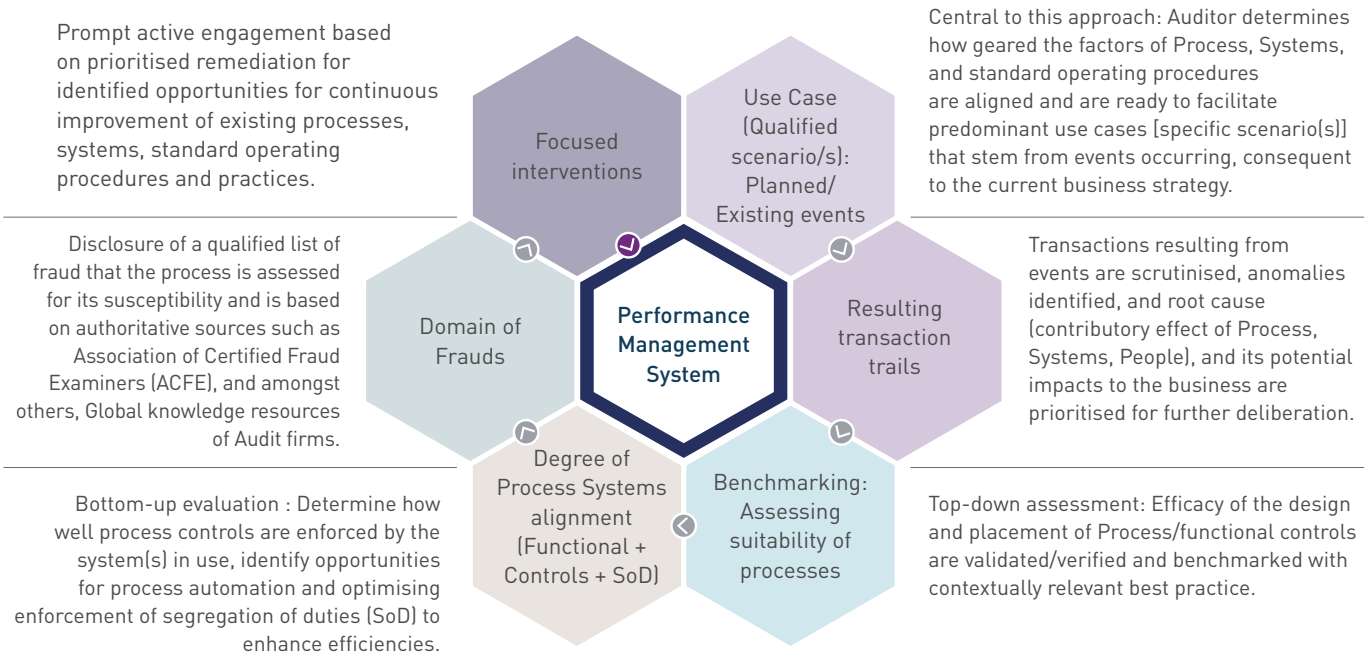
The Company and the Hotels Group are well aware of the need to ensure that no individual has excessive system access to execute transactions across an entire or several business processes, which have critical approval linkages in the context that increases the use of information technology and integrated financial controls creates unintended exposures within the Company and the Hotels Group. SoD dictates that problems such as fraud, material misstatements, and manipulation of financial statements can arise when the same individual can execute two or more conflicting, sensitive transactions.

Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Company and the Hotels Group continue to take steps to identify and evaluate existing conflicts and to reduce residual risks to an acceptable level, based on a cost-benefit rationale. No material conflicts were reported during the year.

7.7.4 Internal Audit

The internal audit process of the Company and the Hotels Group is conducted by outsourced parties at regular intervals, coordinated by the Group Business Process Review function (GBPR) of the Group. GBPR ensures that the internal audit plan adequately covers the significant risks of the Company and the Hotels Group and reviews the important internal audit findings and follow-up procedures. Internal audit reports are first considered and discussed at the business/functional unit levels. These reports are forwarded to the Audit Committee on a regular basis. Further, the Audit Committees also regularly assess the effectiveness of the risk review process and internal control systems. Whilst there are merits and demerits associated with outsourcing an internal audit, the Company and the Hotels Group are of the view that having an externally based internal auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the external auditor.

The new Internal Audit Approach: Continuous Emphasis on Context



7.8 Forensic Data Analytics

In response to an increasingly complex business environment characterised by exponential transaction volumes, the Company and Hotels group have evolved its internal audit framework from traditional, sample-based cyclical testing to a continuous, data-driven approach. By leveraging big data analytics and applying advanced statistical models across complete data populations, the established real-time anomaly detection and early-warning mechanisms, thereby significantly enhancing risk oversight and control effectiveness.

The Company and the Hotels group use forensic data analytics to facilitate action towards investigating transactions that are distinct within its population. Based on well-established algorithms, it prompts attention to strengthen process and system controls to ensure the integrity of such transactions within its contextual domain.

A key success factor of this oversight mechanism is the use of advanced machine learning algorithms that are continuously sensitised to each business's operating circumstances. These algorithms trigger such transactions and remain relevant and insightful by increasing their utility and providing optimisation opportunities for Continuous Controls Monitoring (CCM) and active intervention.

The Company, the Hotels group, and the JKH Group piloted and implemented a series of new initiatives throughout the year to strengthen the effectiveness of the forensic data analytics platform and related capabilities, thereby complementing CCM and internal audit engagements.

7.9 External Assurance

The External Auditor is appointed subject to the provisions of the Companies Act. The Audit Committee recommends to the Board the external auditor's appointment, re-appointment, or removal in accordance with professional and ethical standards and regulatory requirements. It monitors and reviews the External Auditor's independence, objectivity, and effectiveness throughout the audit process, in accordance with relevant professional and regulatory requirements.

When assigning non-audit services to External Auditors, the Audit Committee ensures that the External Auditor has the necessary skills and experience for the assignment and ascertains that independence and objectivity in carrying out their duties and responsibilities will not be impaired.

At the last AGM, the shareholders approved the reappointment of Messrs. Ernst & Young as the External Auditor for 2025/26 on the Board's recommendation.

The audit fees paid by the Company to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

8. GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Navigating a dynamic socio-economic landscape, the Group relies on a robust corporate governance framework to drive accountability, transparency, and sustainable value creation. The Board proactively evaluates its governance readiness in response to emerging internal and external challenges, ensuring continuous alignment with global best practices, as detailed in the focus areas below.

8.1 Board Diversity and Succession Planning

The Company recognises the importance of a diverse Board with the skills, values, and vision aligned to the JKH Group's varied business interests. Diversity enhances Board perspectives, strengthens stakeholder engagement, and supports more responsive decision-making. The Company remains committed to attracting Directors from diverse demographics, experiences, and backgrounds, while upholding a strong culture of meritocracy.

8.2 Board Independence

Board independence remains a key priority for stakeholders, regulators, and stock exchanges. The Company is committed to fostering independent decision-making and mitigating conflicts of interest through sound structures and nomination processes.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director- led engagements, can enhance governance without compromising corporate operations. To this end, the Company will continue to place emphasis on further augmenting the Board's independence whilst striking a balance with the JKH Group's operating model, which addresses the complexities and intricacies of a diversified conglomerate setting.

8.3 Beneficial Ownership of the Company

While the Group does not have a controlling shareholder or any shareholder directly represented on the JKH Board, it recognises the importance of beneficial ownership transparency in fostering stakeholder trust. Accordingly, the Company has proactively commenced the collation and preliminary verification of relevant ownership information. Following the introduction of mandatory beneficial ownership disclosure requirements under the Companies Act (Amendment) No. 12 of 2025, effective 30 March 2026, the Company continues to engage with shareholders and closely monitor regulatory developments to ensure full and timely Compliance with the applicable framework.

8.4 Anti-Fraud, Anti-Corruption and, Anti-Bribery and Financial Crime Compliance

The Hotels Group enforces a strict zero-tolerance policy towards fraud, bribery, corruption, and financial crime. This commitment is deeply embedded in our corporate culture and is operationalised through the JKH Code of Conduct and a comprehensive suite of compliance guidelines. These include specific policies on anti-fraud, fraud prevention, anti-corruption, anti-bribery, anti-money laundering (AML), counter-terrorist financing (CTF), counter-proliferation financing (CPF), gifting, audit, and transparency.

Accordingly, all forms of unethical practices are strictly prohibited across the Company and the Hotels Group. This includes, but is not limited to:

- Theft and embezzlement
- Overriding internal controls
- Giving or receiving kickbacks or facilitation payments

- Bribery in any form
- Allowing oneself to be placed in situations of conflict of interest
- Dishonesty in financial and non-financial statements
- Monitoring and Regulatory Collaboration

To safeguard this ethical environment, the Hotels Group continuously strengthens its Code of Conduct deviation monitoring and resolution processes. In alignment with the overarching John Keells Group framework, the Hotels Group continues to work closely with the Financial Intelligence Unit (FIU) of Sri Lanka. This collaboration further strengthens our compliance framework, enhancing our monitoring and coordination in the implementation of AML, CTF, and CPF measures, recognising the broader implications of financial crime prevention for both the hospitality sector and the country.

During the year under review, no incidents of fraud were reported in the Company and its Hotels.

8.5 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among investors, regulators and other stakeholders. The Group integrates ESG factors into strategy, operations and decision making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, John Keells Hotels implemented the standards during the year under review.

8.6 Continued Strengthening of Internal Controls

The Company continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with international best practice. These initiatives are intended to improve efficiency, enhance oversight, strengthen fraud detection and prevention, and enable data driven monitoring and compliance.

8.7 Digital Oversight and Cyber Security

As digitalisation expands across operations, the Company recognises increased exposure to cyber and technology-related risks. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

8.8 Data Protection, Information Management and Adoption

The Company embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 09 of 2022. Governance is supported by robust policies, security controls, role-based access, training, and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee, with regular updates to the Audit Committee. Continuous enhancements are guided by external assessments and regulatory developments, and no substantiated customer data breaches or data losses were reported during the year.

The requirements under data protection laws will necessitate businesses to devise their strategies and stakeholder engagements in a manner that complies with the law while enabling better insights and understanding of its stakeholder needs.

8.9 Greater Employee Involvement in Governance

The Group recognises employees as a critical pillar of effective governance. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

8.10 Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practices, and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision making. The Group continues to enhance transparency in a manner that prioritises material information and long term value creation.

8.11 Geopolitical Risk and Resilience

Global volatility and heightened geo-political risks have required businesses to reinforce risk management processes. While Sri Lanka has developed the necessary macro-economic buffers to withstand external shocks, more frequent or prolonged global volatility will create the need for building resilience in the business model and value chains of corporates. Given the experience from the economic crisis, certain business resilience plans are in place while the emerging global trends will need to be continuously monitored to assess the impact on the country and the macro environment.

9. COMPLIANCE SUMMARY

The Directors are conscious of their duty to ensure that John Keells Hotels PLC and its subsidiaries comply with all applicable laws, regulations, regulatory guidelines, internal controls, and approved policies across all jurisdictions in which they operate. Through its robust operating structures, the

Board ensures comprehensive compliance with all statutory requirements, including cross-border anti-corruption and anti-bribery laws.

In accordance with its commitment to strict regulatory oversight, the Board receives quarterly Compliance Statements from the President – Leisure, the CEO of Cinnamon Hotels & Resorts, and the Chief Financial Officer, confirming full adherence to all regulatory requirements.

The Board of Directors also takes all reasonable steps to ensure that financial statements are prepared in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by CA Sri Lanka, the newly adopted Sri Lanka Sustainability Disclosure Standards, and the requirements of the Colombo Stock Exchange (CSE) and other applicable regulatory authorities.

The information contained in the financial statements of this Annual Report is further supplemented by a detailed Management Discussion and Analysis (MD&A). This section explains to our shareholders the strategic, operational, investment, sustainability, and risk-related aspects of the Hotels Group, illustrating how value is created, translated into reported financial performance, and likely to influence future results.

Mandatory Compliance Framework John Keells Hotels PLC and the Hotels Group are fully compliant with all the mandatory rules and regulations stipulated by the following:

- Listing Rules of the CSE
- Companies Act No. 7 of 2007
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including all associated rules, regulations, directives, and circulars
- Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
- Voluntary Adoption of Best Practices The Hotels Group has given due consideration to the Code of Best Practice on Corporate Governance (2023) reporting guidelines set out by CA Sri Lanka. In all instances, barring a few, the Hotels Group has voluntarily embraced these practices, particularly where they have been identified as highly relevant and value-adding to the hospitality sector.

The Hotels Group remains compliant with all relevant legal and statutory requirements. No legal actions against the Group during the reporting period in relation to anti-competitive behaviour, anti-trust, or monopoly practices. Any currently pending litigations, if any, have been transparently disclosed within the Annual Report of the Board of Directors on page 218 of this Report.

9.1 Statement of Compliance pertaining to the Companies Act No. 7 of 2007

Section		Compliance Status	Reference (within the Annual Report)
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Group Directory
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on Financial Statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Group Directory
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/ Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/Annual Report of the Board of Directors
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements/Annual Report of the Board of Directors

9.2 Statement of Compliance under Section 7.5 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Mandatory Provisions - Fully Compliant

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
a (i)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Independent Auditor's Report and Independent Assurance Statement

9.3 Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Mandatory Provisions - Fully Compliant

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
(i)	Names of persons who were Directors of the Company	Yes	Corporate Governance - Board of Directors – Section 3.2
(ii)	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Investor Information
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	Investor Information
	The public holding percentage in respect of non- voting Shares (where applicable)	N/A	N/A
	b) The public holding percentage in respect of Foreign Currency denominated Shares	N/A	N/A
(v)	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Investor Information
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Risk Management
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Yes	Responsible Performances Report
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio
(ix)	Number of shares representing the Company's stated capital	Yes	Investor Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Ratios and market price information	Yes	

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	N/A	Investor Information
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	Investor Information/ Corporate Governance Commentary – Page 147/ Note 33 of the Notes to the Financial Statements
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Corporate Governance
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes	Notes to the Financial Statements
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	N/A	N/A

9.4 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

Mandatory Provisions - Fully Compliant

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	The Company complies with the Corporate Governance Rules and has stated so within the Report, with any deviations explained where applicable.
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Corporate Governance - Key Internal Policies - Section 7.2
9.2.2	Disclosure of any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the Company	Yes	
9.2.3 (i) (ii)	List of policies to be disclosed, along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	Yes	

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of the minimum required Board Committees	Yes	Corporate Governance - Board Committees – Section 4
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting, including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance - Communication with Shareholders - Section 6.7.9
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance - Board Composition– Section 3.5
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event that the Chairperson and CEO roles are combined	N/A	N/A
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance - Board Composition– Section 3.5
9.5.1 d	The rationale and the maximum number of Directors	Yes	Corporate Governance - Board Composition– Section 3.5
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance - Board Meetings – Section 3.8
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance - Induction And Training for Directors – Section 3.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance - Board Meetings – Section 3.8
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest – Section 3.14
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes	Corporate Governance - Board Meetings – Section 3.8
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Corporate Governance - Key Internal Policies - Section 7.2

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	N/A as the Chairperson is a NED and Chairperson and CEO roles are not combined.
9.6.2	Market announcement on the Chairperson being an Executive Director and/or a combination of the Chairperson-CEO Roles, including the rationale		
9.6.3 a-d	Requirement for a SID		N/A
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties		
9.6.4	Rationale for the appointment of a SID set out in the Annual Report		
9.7 Fitness of Directors and CEO			
9.7.1	The company to take necessary steps to ensure that its Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Directors are required to provide general disclosures and declarations on fitness and propriety annually and are required to report any material changes to the information provided therein, including any changes to their professional responsibilities and business associations, to the Board. The Nominations and Governance Committee reviews and makes recommendations to the Board on the fitness and propriety of Directors. No non-compliances were reported during the year in this regard.
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as a Director		
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness		
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with fit and proper assessment criteria	Yes	Corporate Governance - Details in Respect of Directors - Section 3.15
9.7.5	Disclosures in the Annual Report	Yes	Corporate Governance - Nominations and Governance Committee - Section 4.1.3
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance - Board Composition– Section 3.5
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher, are to be independent	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest – Section 3.14
9.8.5 a-c	The Board is to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	All independent NEDs have submitted declarations as to their independence, and a determination of their independence is evaluated. No non-compliances were reported during the year under review.

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules, and such requirements to be incorporated into the Articles of Association	Yes	The Articles were amended in 2024, subsequent to shareholder approval, to incorporate changes necessitated by the Rules. No Alternate Directors were appointed during the financial year.
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance - Board Composition– Section 3.5
9.10.2/ 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	A timely market announcement of the new independent NED appointed was made through the CSE. – Section 1.4
9.10. 4a-i	Disclosure of details relating to the Board members	Yes	Corporate Governance – The Board of Directors – Section 3.1
9.11 Nominations and Governance Committee (NGC)			
9.11.1	Establishment of an NGC	Yes	Corporate Governance - Nominations and Governance Committee – Section 4.1.3
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of the names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	
9.12 Remuneration Committee (RC)			
9.12.2	Establishment of a RC	Yes	Corporate Governance - Human Resources and Compensation Committee – Section 4.1.3
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of the names of the Chairperson and members of the RC	Yes	
9.12.8 b	Disclosure of the statement of the remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.13 Audit Committee (AC)			
9.13.1	AC to handle Risk functions where the Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance - Audit Committee – Section 4.1.1
9.13.2	AC to have written Terms of Reference	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for the AC Meeting shall require a majority of those in attendance to have IDs	Yes	
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at a minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/ (6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC		
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report		
9.14 Related Party Transactions Review Committee (RPTRC)			
9.14.1	Establishment of an RPTRC	Yes	Corporate Governance - Related Party Transactions Review Committee – Section 4.1.4
9.14.2 (1)	Composition of RPTRC	Yes	Corporate Governance - Related Party Transactions Review Committee – Section 4.1.4
9.14.3	Functions of the RPTRC	Yes	
9.14.4 (1) – (4)	General Requirements, including the requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request the Board to approve RPTs reviewed by it and requirements relating to a Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes	
9.14.5	Review of RPTs by the RPTRC	Yes	
9.14.6	Shareholder Approval for RPTs	Yes	Refer to Extraordinary General Meetings, including Shareholder Approval through the Special Resolution section. During the year under review there was no requirements for Shareholder Approval

CSE Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the Annual Report 2025/26)
9.14.7	Immediate Disclosures	Yes	Corporate Governance - Related Party Transactions Review Committee – Section 4.1.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Refer to Notes to the Financial Statements.
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes	
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance - Related Party Transactions Review Committee – Section 4.1.4
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors.
9.14.9 (1)/ (2)	Shareholder approval for the acquisition and disposal of substantial assets	Yes	Refer to Extraordinary General Meetings, including Shareholder Approval through the Special Resolution section. During the year under review there was no requirements for Shareholder Approval
9.14.9 (4)/ (5)/(6)	TPTRC to obtain competent independent advice on the acquisition and disposal of a substantial asset	Yes	There was no acquisition and disposal of substantial assets during the year 2025/26
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest – Section 3.14
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	The Board takes steps to ensure the integrity and effectiveness of internal control systems by periodically reviewing and monitoring them.
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Corporate Governance - Induction And Training for Directors – Section 3.7
(iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the Company operates	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period.

9.5 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

Voluntary Provisions

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka	
Directors	• The Company is led by an effective Board that possess the skills, experience and financial acumen enabling independent judgement on a variety of subjects. • Regular meetings of the Board are held at a minimum once a quarter, with access to information, the advice of the Company Secretary and independent professional advice, as required. • The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. The combined role of Chairperson and CEO is justified, given the nature of the Group, with an annual performance appraisal in place. • Board balance is maintained in line with the Code, supported by a majority of Independent Directors and the appointment of a Senior Independent Director, given the combined role of Chairperson and CEO. • Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, take place at regular intervals. • Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.
Directors' Remuneration	• The Human Resource and Compensation Committee, consisting exclusively of NEDs, is responsible for determining the remuneration of the Chairperson. • ED compensation includes performance-related elements in the pay structure - N/A • Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid are disclosed under the Director Remuneration section and are in line with the Code.
Relations with Shareholders	• There is constructive use of the AGM, as per the Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. • The Group has in place multiple channels to reach shareholders, as discussed under the Stakeholder Management and Effective Communication section. • Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	• Interim and other price-sensitive and statutorily mandated reports are disclosed to Regulators. As evidenced by the Annual Report of the Board of Directors, the Company conducted all business in accordance with applicable regulations and Laws, equitably and fairly. • The Company continues to be a going concern, and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. • There is an annual review of the effectiveness of the Company's risk management and internal controls, which ensures the maintenance of a sound system of internal control, which is reported on under the Internal Controls section. • The internal audit function and the Audit Committee function as stipulated by the Code and are discussed under the Audit Committee section. • A Related Party Transactions Review Committee is in place and functions in line with the Code. • There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. • All Corporate Governance disclosures under the CSE rules have been complied with.

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka	
Institutional Investors	• The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General meetings, as convened on an as-needed basis.
Other Investors	• Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	• ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision-making. In reporting performance, the Annual Report covers ESG disclosures through the ←IR→ framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. • The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	• The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a group policy, conducts periodic reviews to ensure its effectiveness, discusses cybersecurity risks at the Board level, and discloses the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	• The Company maintains policies relating to its governance and matters relating to the Board of Directors in line with the Listing Rules of the CSE and the Code.

Board Seats Held in Other Unlisted Sri Lankan Companies Under JKH Group

Mr. K N J Balendra
John Keells Foundation
Octave Advanced Analytics (Private) Limited
John Keells CG Auto (Private) Limited
Rajawella Holdings Limited
Mackinnon Keells Limited
Sancity Hotels and Properties Limited
Waterfront Properties (Private) Limited
Vauxhall Land Developments (Private) Limited
D H L Keells (Private) Limited
Braybrooke Residential Towers (Private) Limited
South Asia Gateway Terminals (Private) Limited
Colombo West International Terminals (Private) Limited

Mr. J G A Cooray
John Keells Capital (Private) Limited
Waterfront Properties (Private) Limited
Vauxhall Land Developments (Private) Limited
South Asia Gateway Terminals (Private) Limited
John Keells Information Technology (Private) Limited - Chairperson
Rajawella Holdings Limited
Braybrooke Residential Towers (Pvt) Limited
Saffron Aviation (Pvt) Ltd - Chairperson
Jaykay Marketing Services (Pvt) Limited - Chairperson
John Keells Singapore (Pte) Limited - Chairperson
Colombo West International Terminal (Private) Limited
John Keells CG Auto (Private) Limited
Octave Advanced Analytics (Private) Limited
Keells Consultants (Private) Limited
John Keells Foundation
John Keells International (Private) Limited
Mackinnons Keells Limited
Infomate (Private) Limited
Infomate Global Business Services (Private) Limited
John Keells Restaurants (Private) Limited
John Keells Maldivian Resorts (Pte) Limited
Cinnamon Hotel Management Limited

Mr. N N Mawilmada
Mackinnons Keells Limited
Infomate (Private) Limited
Infomate Global Business Services (Private) Limited
Cinnamon Hotel Management Limited
John Keells Maldivian Resorts (PTE) Limited
Walkers Tours Limited
Whittall Boustead (Travel) Limited
Cinnamon Hotels & Resorts (Private) Limited
Cinnamon Hotel Management International (Private) Limited
Rajawella Holdings Limited
Whittall Boustead (Private) Limited
Keells Realtors Limited
John Keells Residential Properties (Private) Limited
John Keells Properties Ja-Ela (Private) Limited
Sentinel Realty (Private) Limited
British Overseas (Private) Limited
Waterfront Properties (Private) Limited
Waterfront Realty Management (Private) Limited
Waterfront Krystal Realty (Private) Limited
Waterfront Glennie Hotels (Private) Limited
Glennie Properties (Private) Limited
Waterfront Hotels (Private) Limited
J K Land (Private) Limited
Capitol Hotel Holdings Limited
Sancity Hotels and Properties Limited
Vauxhall Land Development Limited
Braybrooke Residential Properties (Private) Limited
Braybrooke Residential Towers (Private) Limited
J K Ja-Ela Property Developments (Private) Limited
J K Thudella Properties (Private) Limited
J K Real Estates (Private) Limited
Trans-Ware Logistics (Private) Limited
South Asia Gateway Terminals (Private) Limited
J K Property Developments (Private) Limited – Under Liquidation

Mr. M H Singhawansa
Cinnamon Hotels & Resorts (Private) Limited
Cinnamon Hotel Management Inter. (Pvt) Ltd
Cinnamon Hotels Management Limited



REPORTING TRANSPARENTLY

Embracing Clarity

In the numbers that tell the full story, strength is demonstrated at John Keells Hotels PLC. The financial statements presented here are a record of discipline: decisions made with clarity, resources managed with rigour, and foundations built for the future – they are evidence of what endures.

Surrounded by layered canopies and the drama of the wild, the most immersive experiences are built on honesty. They are an unfiltered view of what thrives, what grows, and what endures.



REPORTING TRANSPARENTLY

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FINANCIAL CALENDAR

Year ended 31 March	2026	2025
Audited Financial Statements signed on	26 May 2026	27 May 2025
Annual General Meeting	25 June 2026	26 June 2025
Interim Financial Statements		
1st Quarter Interim Results released on	30 July 2025	29 July 2024
2nd Quarter Interim Results released on	4 November 2025	4 November 2024
3rd Quarter Interim Results released on	28 January 2026	3 February 2025
4th Quarter Interim Results released on	26 May 2026	27 May 2025

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the 47th Annual Report (11th Integrated Annual Report) of John Keells Hotels PLC ("the Company") together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries ("the Hotels Group") for the year ended 31 March 2026.

The Company was incorporated as a Limited Liability Company in 1979 and listed on the Colombo Stock Exchange ("CSE") in 2004. Pursuant to the requirements of the Companies Act No 07 of 2007 ("Companies Act"), the Company was re-registered and obtained a new Company number, PQ 8, in 2007.

CORPORATE CONDUCT AND THE VISION OF THE COMPANY

The business activities of the Company and the Hotels Group are conducted in accordance with the highest ethical standards to achieve our vision: "To bring the best of Sri Lanka to the world with style and elegance."

PRINCIPAL ACTIVITIES

The principal activity of the Company, which is investment, remained unchanged. The principal activities of its subsidiaries, in which hospitality plays a key role, also remained unchanged.

ULTIMATE PARENT

The Company's ultimate Parent and controlling entity is John Keells Holdings PLC ("JKH"), a company incorporated in Sri Lanka and listed on the CSE.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The financial and operational performance, as well as the future business development, of the Company and the Hotels Group, for the year ended 31 March 2026, is provided in the Chairperson's Message and the Management Discussion and Analysis section of the Annual Report.

These reports, which form an integral part of this Annual Report of the Board of Directors, along with the Audited Financial Statements, reflect the Company's and the Hotels Group's situation.

CORPORATE GOVERNANCE

Chairperson's declaration

The Chairperson declares that there have been no material violations of the Code. Minor instances of non-compliance, identified through our internal monitoring mechanisms, have been addressed and these instances are disclosed in this Report.

DIRECTORS' DECLARATIONS

The Directors declare that;

a) The Company and the Hotels Group have complied with all applicable laws and regulations in conducting their business, and the Company has not engaged in any activity which contravenes applicable laws and regulations.

b) They have declared all material interests in contracts involving the Company and its subsidiaries and refrained from voting on matters in which they were materially interested.

c) The Company has made all endeavours to ensure the equitable treatment of shareholders.

d) The business is a going concern, supported by the necessary assumptions or qualifications.

e) They have conducted a review of internal control covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

f) The Company has adopted a Code of Business Conduct and Ethics for its Directors and senior management team members, and all such individuals have complied with this Code.

g) The Company, being listed on the CSE, is compliant with the rules on Corporate Governance under the Listing Rules of the CSE regarding the composition of the Board and its Sub-Committees.

h) The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by CA Sri Lanka, to the extent of business exigency and as required by the Company, the Hotels Group and the John Keells Group.

BOARD EVALUATION

The Board conducted its annual Board performance appraisal for the financial year 2025/26. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- role clarity and effective discharge of responsibilities
- people mix and structures
- systems and procedures
- quality of participation
- board image

An Independent Director collates the scoring and open comments, and the results are analysed to provide the Board with an indication of its effectiveness, as well as areas that require addressing and/or strengthening. Despite the anonymity

of the remarks, the open and frank discussions that follow include some Directors identifying themselves as the person making the remark, reflecting the openness of the Board. This process has led to an improvement in Board dynamics and its effectiveness.

The Corporate Governance practices of the Company are described on pages 152 to 213 of this Annual Report.

HUMAN RESOURCES

The Company continued to implement appropriate human resource management policies to develop employees and optimise their contribution towards the achievement of corporate objectives. The policies and procedures ensure the equitable treatment of all employees. There were no material issues pertaining to employees and industrial relations during the year under review.

SYSTEM OF INTERNAL CONTROL

The Board has acknowledged their responsibility for the system of internal controls of the Company and its subsidiaries and has implemented an effective and comprehensive system of internal controls, which provide reasonable but not absolute assurance that assets are safeguarded, and that the financial reporting system may be relied upon in the preparation of the Financial Statements. The Audit Committee receives and acts upon the results of internal control reviews carried out by outsourced Internal Auditors.

RISK MANAGEMENT

The Board confirms that there is an ongoing process for identifying, evaluating, managing, and mitigating any significant risks faced by the Company, and that financial, operational and compliance controls have been reviewed.

Risk assessment and evaluation for the Company takes place as an integral part of the business, and the Board Audit Committee reviews the principal risks and mitigating actions in place regularly. The Board, through the involvement of the Group Business Process Review (GBPR) Division of JKH, takes steps to gain assurance on the effectiveness of control systems in place. The Head of the GBPR Division has direct access to the Chairperson of the Audit Committee.

Foreseeable risks that may materially impact the business are disclosed in the Chairperson's Message on pages 10 to 15 and Risk Management practices on pages 46 to 53 of this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board has received assurance from the Board Audit Committee and confirms that the Company and the Hotels Group have complied with all applicable laws, rules, and regulations in the territories in which it operates.

GOING CONCERN

The Board of Directors, after considering the financial position, operating conditions, regulatory and other factors, and such matters required to be addressed in the Code of Best Practice on Corporate Governance (2013), (2017) and (2023) have a reasonable expectation that the Company, the Hotels Group possess adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Financial Statements.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements so that they present a true and fair view of the state of affairs of the Company and the Hotels Group. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the CSE and the Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka, to the extent of business exigency and as required by the Company, the Hotels Group and the John Keells Group.

The Statement of Directors' Responsibility for Financial Reporting is provided on page 224 and forms an integral part of this Annual Report of the Board of Directors.

ACCOUNTING POLICIES

All the material accounting policies adopted by the Company and Group are provided in the Notes to the Financial Statements. There have been no changes in the accounting policies adopted by the Group during the year under review. For all periods up to and including the year ended 31 March 2026, the Company and the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

REVENUE

The revenue of the Hotels Group from its operations amounted to Rs. 32,289 Mn (2025 - Rs. 29,318 Mn). The Segment-wise contribution to Hotels Group's revenue, results, assets, and liabilities is provided in Note 8.1 to the Financial Statements.

FINANCIAL RESULTS AND APPROPRIATIONS

The Company recorded a profit after tax of Rs. 2,313.3 Mn (2025 - Rs. 196.7 Mn), while the Group recorded a consolidated net profit after tax of Rs. 1,950 Mn (2025 - net loss of Rs. 222.7 Mn) for the year under review. A synopsis of the Company's and Hotels Group's performance is presented below:

	Group		Company	
In Rs. '000s	2026	2025	2026	2025
After making provision for doubtful debts, all known liabilities and depreciation on property, plant and equipment, the profit earned before interest was	5,335,192	2,895,829	2,798,242	341,644
Finance costs during the year were	(2,389,383)	(2,593,822)	(103,016)	(127,153)
Profit before tax was	2,945,809	302,007	2,695,226	214,491
From which was charged the provision for taxation, including the deferred taxation of	(995,841)	(524,681)	(381,910)	(17,767)
Leaving a net profit/(loss) after tax of	1,949,968	(222,674)	2,313,316	196,724
The profit/(loss) attributable to the non-controlling interest was	16,024	6,555	-	-
The profit/(loss) attributable to the Company and the Group was therefore	1,933,944	(229,229)	2,313,316	196,724
Balance brought forward from the previous year	1,337,678	1,511,732	3,608,713	3,411,989
The amount available for appropriation was	3,271,622	1,282,503	5,922,029	3,608,713
Other adjustments	1,084,054	55,175	-	-
Dividend paid during the year	(145,615)	-	(145,615)	-
Leaving a balance to be carried forward to the next year of	4,210,061	1,337,678	5,776,414	3,608,713

DIVIDENDS

The Board of Directors have declared a final dividend of Rs. 0.35 per share for the financial year ended 31 March 2026.This will be paid on or before 25 June 2026.

The Board of Directors has confirmed that the Company satisfies the requirements of Section 56 (2) of the Companies Act No. 7 of 2007 and the solvency test, in accordance with Section 57 of the Companies Act No. 7 of 2007. The Board has also obtained a certificate from the Auditors prior to recommending a dividend.

PROVISION FOR TAXATION

The details of the tax provision of the Group are disclosed in Note 19 to the Financial Statements.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on page 225 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

The book value of property, plant, and equipment as at the reporting date amounted to Rs. 31,050 Mn (2025 - Rs. 32,597 Mn) for the Hotels Group. Capital expenditure for the Hotels Group amounted to Rs. 1,675 Mn (2025 - Rs. 1,113 Mn). Details of property, plant and equipment and their movements are given in Note 21 to the Financial Statements.

MARKET VALUE OF PROPERTIES

All land and buildings of the Group, except for the buildings on leasehold land located in the Maldives, are subject to routine revaluation by independent qualified valuers. The most recent valuation in respect of the Hotels Group was carried out as at 31 December 2025. Details of property valuations, including the valuation method and effective date of these valuations, are provided in Note 21.2 and Note 23 to the Financial Statements.

Details of the Group's real estate portfolio as at 31 March 2026 are disclosed within the Supplementary Information section of the Annual Report.

INVESTMENTS

The details of investments held by the Company and the Hotels Group as of 31 March 2026 are provided in Notes 25, 26, and 27 to the Financial Statements.

IMPAIRMENT ASSESSMENT

The Board of Directors has evaluated impairment in relation to property, plant, and equipment, intangible assets, and investments. Based on the assessment, the investment made by the Company and the Hotels Group does not warrant any impairment in the year 2025/26 (2024/25- Nil).

STATED CAPITAL

The total Stated Capital of the Company as at 31 March 2026 stood at Rs.9,500.2Mn (2025 - Rs. 9,500.2Mn) divided into 1,456,146,780 Ordinary Shares (2025 - 1,456,146,780 Ordinary Shares).

RESERVES

The movement in other components of equity and revenue reserve of the Company, its subsidiaries, joint ventures, and associates is shown in the Statement of Changes in Equity on page 231 of this Report.

SEGMENT REPORTING

Geographical segment-wise contributions to the Hotels Group's revenue, segment results, assets, and liabilities are provided in Note 8.1 to the Financial Statements.

SHARE INFORMATION AND SHAREHOLDINGS

The market value of an Ordinary Share of the Company as at 31 March 2026 was Rs. 16.20 (2025 - Rs. 20.20). Information relating to earnings, net assets, and market value per share is given on page 9 of this Report. The number of shareholders as at 31 March 2026 was 10,713 (2025 – 8,120). An analysis of shareholders based on shares held, the distribution of ownership and details of share transactions during the year are provided on pages 147 and 149 of this Annual Report. The list of the top twenty-five shareholders of the Company as at 31 March 2026 is also provided on page 149 of this Annual Report.

FLOAT ADJUSTED MARKET CAPITALISATION

As at 31 March 2026, the Company had a float-adjusted market capitalisation of Rs. 4,538Mn and 10,708 public shareholders (19.24% public shareholdings). Therefore, the Company is compliant with option 01 of the minimum threshold requirements for the Diri Savi Board of the CSE, as required under Section 7.13.1(b) of the Listing Rules of the CSE.

EQUITABLE TREATMENT OF ALL SHAREHOLDERS

The Company has made every endeavour to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year has been sent to the CSE in a timely manner.

DIRECTORS

The Board of Directors of the Company as at 31 March 2026 and their brief profiles are given on pages 157 to 158 of this Report. The Board of the Company is comprised of Non-Executive Directors, three of whom are independent. The Board has conducted an annual determination of fitness and propriety of all Directors and the independence of the Independent Non-Executive Directors.

Dr. K A Gunasekera will retire in terms of Article 83 of the Articles of the Company and be presented to the shareholders at the Annual General Meeting for re-election as a Director.

Mr. N N Mawilmada will retire in terms of Article 90 of the Articles of the Company and be presented to the shareholders at the Annual General Meeting for re-election as a Director.

RESPONSIBILITIES OF THE BOARD

Details of the responsibilities of the Board and the manner in which those responsibilities were discharged during the year are disclosed in the Corporate Governance section of this Annual Report.

BOARD SUB-COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee, including reports of each of the Committees, where applicable, and attendance of Directors for each of the Committee meetings, are disclosed in the Corporate Governance of the Annual Report

DIRECTORS' SHAREHOLDINGS

The shares held by Directors and their spouses in the Company as at 31 March 2026 and 2025 are as follows:

As at	31 March 2026	31 March 2025
K N J Balendra - Chairperson	Nil	Nil
J G A Cooray	Nil	Nil
S Rajendra	N/A	Nil
M R Svensson	N/A	Nil
M H Singhawansa	Nil	Nil
N N Mawilmada	Nil	N/A
H Premaratne	Nil	Nil
A K Moonesinghe (Ms.)	N/A	Nil
K A Gunasekera (Dr.)	Nil	Nil
A Goonetilleke	Nil	Nil

INTERESTS REGISTER

The Company has maintained an Interests Register, as contemplated by the Companies Act. In compliance with the requirements of the Companies Act, this Annual Report also contains particulars of entries made in the interest registers of subsidiaries and joint ventures which are Public Companies or Private Companies that have not dispensed with the requirement to maintain an interest register as permitted by

Section 30 of the Companies. The Interest Register is available at the Registered office of the Company, in keeping with the requirement of Section 119 (1) (d) of the Companies Act.

Particulars of entries in the Interests Register for the Financial Year 2025/26 are as follows.

a. Directors Interests in Contracts
All the Directors have made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies and no additional interests have been disclosed by any Director.

b. Share Dealings
There have been no disclosures of share dealings during the financial year ended 31 March 2026.

c. Indemnities and Remuneration
Details of the remuneration, other benefits and indemnities received by the Directors of the Company, its subsidiaries and joint ventures are set out in Note 18 to the Financial Statements. While the Executive Director's remuneration, if any, is determined by the Human Resources and Compensation Committee of JKH, the parent company, the remuneration of the Non-Executive Directors are determined according to scales of payment decided upon by the Board. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness to the Company.

DIRECTORS MEETINGS

Details of the meetings of the Directors are given on page 163.

EMPLOYMENT

The Company has an equal opportunity policy, and these principles are adhered to in specific selection, training, development, and promotion policies, ensuring that all decisions are based on merit. The Hotels Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status, or physical disability. There were no material issues pertaining to employees and industrial relations in the year under review.

The number of persons employed by the Hotels Group as at 31 March 2026 was 3,040 (2025 - 2,942).

EMPLOYEE SHARE OPTION SCHEME (ESOP)

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the parent company, JKH. The Company has not directly or indirectly provided funds to its employees to purchase shares under the ESOP Scheme.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge, are satisfied that all statutory payments in relation to the Government and the employees have been either duly paid or appropriately provided for. The income tax position of the Company and the Hotels Group are disclosed in Note 19 to the Financial Statements.

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company Lawyers, litigation currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company.

SUPPLIER POLICY

The Company applies an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers and endeavours to pay for all items properly charged in accordance with these agreed terms. As at 31 March 2026, the trade and other payable of the Hotels Group amounted to Rs. 2,336Mn (2025 - Rs. 2,381Mn) and for the Company amounted to Rs. 35.3Mn (2025 - Rs. 13.3Mn).

SUSTAINABILITY REPORTING

The Hotels Group is conscious of the impact, direct and indirect, on the environment due to its business activities. Every endeavour is made to minimise the adverse effects on the environment to ensure sustainable continuity of our natural resources.

Following the comprehensive gap analysis conducted in the prior year, the Group has adopted SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures, these local standards material converged with the International Financial Reporting Standards (IFRS) S1 and S2 as issued by International Sustainability Standard Board (ISSB). In compliance with the CSE reporting requirements for 2025/26. Relevant disclosures are included in SLFRS S1 and S2 Disclosures section of this report.

DONATIONS

Total donations made by the Hotels Group during the year amounted to Rs. 19.4Mn (2025- Rs. 10.4Mn). Donations made by Subsidiaries of the Company were as follows:

For the year ended In Rs.	2026	2025
Ceylon Holiday Resorts Ltd	1,230,415	1,454,194
Yala Village (Pvt) Ltd	2,275,390	968,162
Kandy Walk Inn Ltd	2,313,598	1,056,141
Habarana Lodge Ltd	956,787	547,904
Habarana Walk Inn Ltd	1,205,535	226,530
Trinco Holiday Resorts (Pvt) Ltd	1,477,379	885,876
Cinnamon Holidays (Pvt) Ltd	93,616	86,498
Hikkaduwa Holiday Resorts (Pvt) Ltd	2,235,567	1,528,546
Beruwala Holiday Resorts (Pvt) Ltd	2,361,928	2,036,380
Travel Club (Pvt) Ltd	1,219,198	373,239
Fantasea World Investments (Pvt) Ltd	1,101,338	829,133
Tranquility (Pvt) Ltd	2,974,059	446,352

AUDITORS

The Audit Committee reviews the appointment of the Auditors, their effectiveness, independence, and relationship with the Company, including the level of audit. As far as the Directors are aware, the Auditors, Messrs. Ernst & Young, Chartered Accountants, do not have any relationship or interest in the Company, its subsidiaries, or joint ventures.

Messrs. Ernst & Young, Chartered Accountants have indicated their willingness to continue as Auditors of the Company, accordingly, a resolution proposing their reappointment as Auditors will be proposed at the Annual General Meeting. Details of the Audit Fees paid to the Auditors are set out in Note 18 of the Financial Statements. Further details of the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on pages 169 and 170.

ANNUAL REPORT

The audited consolidated Financial Statements for the financial year ended 31 March 2026 were approved for issue by the Board of Directors on 26 May 2026. The appropriate number of copies of this Report will be submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board as required.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held as a virtual meeting on 25 June 2026, details of which are found on the Notice of Meeting.

This Annual Report is signed for and on behalf of the Board of Directors.

K N J Balendra
Chairperson

J G A Cooray
Director

By Order of the Board

Keells Consultants (Pvt) Ltd
Secretaries

26 May 2026

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors, in relation to the Financial Statements of John Keells Hotels PLC (the "Company") and the Consolidated Financial Statements of its subsidiaries ("Hotel Group"), is set out in the following statement. This Statement of Directors' Responsibility should be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and the Auditors in relation to the Financial Statements contained in this Annual Report.

As per the provisions of the Companies Act No. 07 of 2007 (Companies Act), the Directors are required to prepare, for each financial year and place before a general meeting, financial statements which comprise of:

- the income statement and statement of comprehensive income of the Company and its subsidiaries, which present a true and fair view of the financial performance of the Company and its subsidiaries for the financial year; and
- a statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries at the end of the financial year.

The Directors have ensured that the financial statements of the Company and the subsidiaries for the year ended 31 March 2026, presented in the Report, have been prepared:

- using appropriate accounting policies which have been selected and applied consistently, and material departures, if any, have been disclosed and explained.
- Companies Act No. 07 of 2007,
- in accordance with the Sri Lanka Accounting and Auditing Standards (SLFRS/LKAS); and that reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- provide the information required by and otherwise comply with the Companies Act, the Listing Rules of the Colombo Stock Exchange (CSE) , the Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka.

The Directors have ensured that the Company has adequate resources to continue in operation and justify applying the going concern basis in preparing these financial statements.

Additionally, the Board of Directors have a responsibility to;

- ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and the Hotels Group; and
- take all reasonable steps to safeguard the assets of the Company and of its subsidiaries and, in this regard to, give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Board of Directors have taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of record, which reflect the transparency of transactions and provide a reasonable accuracy of the financial position of the Company and its subsidiaries.

Further in the event of a dividend distribution, as required by Section 56(2) of the Companies Act, and based on the information available, the Board of Directors will ensure that the Company has satisfied the solvency test immediately after the distribution of any dividends in accordance with Section 57 of the Companies Act with a certificate from the Auditors being obtained prior to declaring such dividend.

The Board of Directors is required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate to enable them to give an independent Auditors' Report.

The Board of Directors is of the view that they have discharged their responsibilities as set out in this Statement.

The Board of Directors approved this Annual Report on 26 May 2026. The appropriate number of copies will be submitted to the Colombo Stock Exchange and the Sri Lanka Accounting and Auditing Standards Monitoring Board, as required.

COMPLIANCE REPORT

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and the subsidiaries, and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory obligations as were due and payable by the Company and its subsidiaries as at the reporting date, have been paid or provided for, except as specified in Note 43 to the Financial Statements covering Contingent Liabilities. The Board of Directors confirms that the Company and its subsidiaries have complied with Paragraph 23 of the LKAS 24 and that all related party transactions are carried out at an "arm's length" basis.

By Order of the Board

John Keells Hotels PLC



Keells Consultants Pvt Ltd
Secretaries

26 May 2026

INDEPENDENT AUDITORS' REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF JOHN KEELLS HOTELS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of John Keells Hotels PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026 , and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of Land and Buildings Property, Plant and Equipment and Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to: • The materiality of the reported fair value of land and buildings which amounted to Rs. Mn 18,848 representing 24% of the Group's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 21 and 23 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • Estimate of per perch value of the land • Estimate of the per square foot value of the buildings • Occupancy rates, average room rates and yield.	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuers engaged by the Group. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property We also assessed the adequacy of the disclosures made in notes 21 and 23 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
Disposal of a Subsidiary On 31 March 2026, Group completed the disposal of its subsidiary, Kandy Walk Inn Limited, resulting in the loss of control and derecognition from the Group's financial statements. The transaction involved the derecognition of the subsidiary's assets and liabilities, recognition of the disposal proceeds, and recognition of the resulting gain on disposal. This was a key audit matter due to: • Materiality of the reported gain on disposal, amounting to Rs.1,139Mn and Rs.2,344Mn to the Group and the Company financial statements respectively, as further detailed in Note No.25.4.	Our audit procedures included the following key procedures. • Read the sales & purchase agreement and obtained an understanding of the key terms and condition, including the date on which control was transferred. • Tested the disposal proceeds arising on the transaction to relevant supporting documents • Tested management's calculation of the gain on disposal, including the derecognition of assets, liabilities, and non-controlling interests. We assessed the adequacy of the disclosures made in Note 25.4 to the financial statements

Other Information included in the 2025/26 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the management and those charged with governance for the financial statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditors' report is 2097.



26 May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INCOME STATEMENT

For the year ended 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Continuing operations					
Revenue from contracts with customers	14	**32,288,749**	29,318,227	**-**	-
Cost of sales		**(11,479,440)**	(10,720,936)	**-**	-
Gross profit		**20,809,309**	18,597,291	**-**	-
Dividend income	15	**-**	-	**405,492**	276,747
Other operating income	16.1	**1,329,738**	150,830	**2,345,092**	-
Selling and distribution expenses		**(1,756,543)**	(1,878,373)	**-**	-
Administrative expenses		**(11,813,081)**	(10,730,506)	**(40,271)**	(33,268)
Other operating expenses	16.2	**(3,428,584)**	(3,313,587)	**(978)**	(383)
Results from operating activities		**5,140,839**	2,825,655	**2,709,335**	243,096
Finance costs	17.2	**(2,389,383)**	(2,593,822)	**(103,016)**	(127,153)
Finance income	17.1	**44,403**	41,484	**88,907**	98,548
Net gain from fair value remeasurement of investment properties	23	**375,025**	74,597	**-**	-
Share of results of equity-accounted investees (net of tax)	26.2	**(225,075)**	(45,907)	**-**	-
Profit before tax	18	**2,945,809**	302,007	**2,695,226**	214,491
Tax expense	19.1	**(995,841)**	(524,681)	**(381,910)**	(17,767)
Profit/(loss) for the year		**1,949,968**	(222,674)	**2,313,316**	196,724
Attributable to :					
Equity holders of the parent		**1,933,944**	(229,229)		
Non-controlling interests		**16,024**	6,555		
		1,949,968	(222,674)		
		Rs.	Rs.	**Rs.**	Rs.
Earnings/(loss) per share - Basic/Diluted	20.1	**1.33**	(0.16)	**1.59**	0.14
Dividend per share	20.2			**0.10**	-

Figures in brackets indicate deductions.

The accounting policies and notes, as set out on pages 234 to 303, form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Profit/(loss) for the year		1,949,968	(222,674)	2,313,316	196,724
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Exchange differences on translation of foreign operations		1,090,623	(235,767)	-	-
Net other comprehensive income to be reclassified to income statement in subsequent periods		1,090,623	(235,767)	-	-
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Revaluation of land and buildings	21.1	821,314	981,962	-	-
Net gain on equity instruments at fair value through other comprehensive income		7	2	7	2
Re-measurement gain/(loss) on defined benefit plans	35.1	(101,511)	78,795	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	26.2	944	-	-	-
Net other comprehensive income not to be reclassified to income statement in subsequent periods		720,754	1,060,759	7	2
Tax on other comprehensive income	19.2	(197,017)	(294,876)	-	-
Other comprehensive income for the year, net of tax		1,614,360	530,116	7	2
Total comprehensive income for the year, net of tax		3,564,328	307,442	2,313,323	196,726
Attributable to:					
Equity holders of the parent		3,545,088	292,495		
Non-controlling interests		19,240	14,947		
		3,564,328	307,442		

Figures in brackets indicate deductions.

The accounting policies and notes, as set out on pages 234 to 303, form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
ASSETS					
Non-current assets					
Property, plant and equipment	21.1	31,050,290	32,597,443	-	-
Right-of-use assets	22.1.1	32,166,529	32,214,594	-	-
Investment properties	23	2,520,700	2,145,675	-	-
Intangible assets and goodwill	24	707,519	801,885	-	-
Investments in subsidiaries	25	-	-	11,961,007	12,367,391
Investments in equity-accounted investees	26	1,599,052	1,821,699	1,849,878	1,848,393
Non-current financial assets	27	548,449	388,786	19	12
Deferred tax assets	19.4.1	948,400	825,794	-	-
		69,540,939	70,795,876	13,810,904	14,215,796
Current assets					
Inventories	28	741,747	565,085	-	-
Trade and other receivables	29	4,513,193	3,507,039	2,082,769	-
Amounts due from related parties	40.1	177,129	262,753	11,164	9,006
Other current assets	30	693,064	583,255	11,157	9,279
Short-term investments	31	48,046	120,658	-	-
Cash in hand and at bank		1,926,371	1,828,129	737,699	254,452
		8,099,550	6,866,919	2,842,789	272,737
Total assets		77,640,489	77,662,795	16,653,693	14,488,533
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	32.1	9,500,247	9,500,247	9,500,247	9,500,247
Revenue reserves		4,210,061	1,337,678	5,776,414	3,608,713
Other components of equity	32.2	21,170,955	20,636,555	6	(1)
		34,881,263	31,474,480	15,276,667	13,108,959
Non-controlling interests		95,880	108,726	-	-
Total equity		34,977,143	31,583,206	15,276,667	13,108,959
Non-current liabilities					
Interest-bearing loans and borrowings	34.1	5,142,944	4,051,716	540,832	932,601
Lease liabilities	22.1.3	14,835,945	15,512,441	-	-
Deferred tax liabilities	19.4.2	1,864,612	2,073,346	-	-
Employee benefit liabilities	35	375,416	296,500	-	-
Other non-current liabilities	36	84,429	100,442	-	-
		22,303,346	22,034,445	540,832	932,601
Current liabilities					
Trade and other payables	37	2,335,937	2,380,799	35,277	13,266
Amounts due to related parties	40.2	727,472	680,031	2,919	2,425
Other current liabilities	39	1,992,787	2,009,133	-	-
Income tax liabilities	19.3	718,919	230,285	386,132	13,396
Short-term borrowings	38.1	570,000	1,900,000	-	-
Interest-bearing loans and borrowings	34.1	1,536,168	3,949,685	411,866	417,886
Lease liabilities	22.1.3	1,891,363	1,633,526	-	-
Bank overdrafts	38.3	10,587,354	11,261,685	-	-
		20,360,000	24,045,144	836,194	446,973
Total equity and liabilities		77,640,489	77,662,795	16,653,693	14,488,533

I certify that the financial statements comply with the requirements of the Companies Act, No. 7 of 2007.

C L P Gunawardane
Chief Financial Officer

The Board of Directors is responsible for these financial statements.

K N J Balendra
Chairperson

J G A Cooray
Director

The accounting policies and notes as set out on pages 234 to 303, form an integral part of these financial statements.

26 May 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

Group In Rs. '000s	Equity attributable to equity holders of the parent							Non-controlling interest	Total equity
	Stated capital	Revaluation reserve	Foreign currency translation reserve	Employee share option plan reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total		
As at 1 April 2024	9,500,247	8,117,876	11,998,396	61,553	(9,362)	1,511,732	31,180,442	104,090	31,284,532
Loss for the year	-	-	-	-	-	(229,229)	(229,229)	6,555	(222,674)
Other comprehensive income	-	702,314	(235,767)	-	2	55,175	521,724	8,392	530,116
Total comprehensive income	-	702,314	(235,767)	-	2	(174,054)	292,495	14,947	307,442
Share-based payments	-	-	-	1,543	-	-	1,543	17	1,560
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	(10,328)	(10,328)
As at 31 March 2025	9,500,247	8,820,190	11,762,629	63,096	(9,360)	1,337,678	31,474,480	108,726	31,583,206
Profit for the year	-	-	-	-	-	1,933,944	1,933,944	16,024	1,949,968
Other comprehensive income	-	590,360	1,090,623	-	7	(69,846)	1,611,144	3,216	1,614,360
Total comprehensive income	-	590,360	1,090,623	-	7	1,864,098	3,545,088	19,240	3,564,328
Share-based payments	-	-	-	7,310	-	-	7,310	34	7,344
Final dividend paid - 2024/25						(145,615)	(145,615)	-	(145,615)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	(7,404)	(7,404)
Disposal of a subsidiary	-	(1,153,900)	-	-	-	1,153,900	-	(33,916)	(33,916)
Acquisition of a subsidiary	-	-	-	-	-	-	-	9,200	9,200
As at 31 March 2026	**9,500,247**	**8,256,650**	**12,853,252**	**70,406**	**(9,353)**	**4,210,061**	**34,881,263**	**95,880**	**34,977,143**

Company In Rs. '000s	Stated capital	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total equity
As at 1 April 2024	9,500,247	(3)	3,411,989	12,912,233
Profit for the year	-	-	196,724	196,724
Other comprehensive income	-	2	-	2
Total comprehensive income	-	2	196,724	196,726
As at 31 March 2025	9,500,247	(1)	3,608,713	13,108,959
Profit for the year	-	-	2,313,316	2,313,316
Other comprehensive income	-	7	-	7
Total comprehensive income	-	7	2,313,316	2,313,323
Final dividend paid - 2024/25			(145,615)	(145,615)
As at 31 March 2026	**9,500,247**	**6**	**5,776,414**	**15,276,667**

*Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 234 to 303, form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March In Rs. '000s	Note	Group 2026	 2025	Company 2026	 2025
OPERATING ACTIVITIES					
Operating profit/(loss) before working capital changes	A	**8,836,663**	7,432,156	**(40,224)**	(33,651)
(Increase)/decrease in inventories		**(215,768)**	31,934	**-**	-
(Increase)/decrease in trade and other receivables		**423,363**	(820,408)	**-**	-
(Increase)/decrease in other current assets		**(144,102)**	(23,080)	**(126)**	(1,912)
(Increase)/decrease in amounts due from related parties		**65,618**	37,497	**(4,771)**	5,639
Increase/(decrease) in amounts due to related parties		**68,208**	155,343	**493**	348
Increase/(decrease) in other current liabilities		**(37,939)**	241,629	**-**	-
Increase/(decrease) in trade and other payables		**(8,869)**	422,879	**(1,949)**	3,871
Cash generated from/(used in) Operations		**8,987,174**	7,477,950	**(46,577)**	(25,705)
Finance costs paid		**(2,297,951)**	(2,516,135)	**(108,804)**	(134,297)
Finance income received		**24,490**	32,978	**88,907**	98,548
Tax paid		**(481,489)**	(155,183)	**(10,927)**	(4,806)
Dividend received		**-**	-	**405,492**	276,747
Gratuity paid		**(42,364)**	(38,676)	**-**	-
Net cash flows from operating activities		**6,189,860**	4,800,934	**328,091**	210,487
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	21.1	**(1,674,508)**	(1,112,549)	**-**	-
Purchase of intangible assets	24	**(30,466)**	(87,984)	**-**	-
Addition to investment properties	23	**-**	(550)	**-**	-
Proceeds from disposal of a subsidiary	25.4	**906,579**	-	**694,256**	-
Proceeds from disposal of property, plant and equipment		**61,147**	25,865	**-**	-
(Purchase)/disposal of non-current financial assets (net)		**(156,775)**	(291,448)	**-**	-
Acquisition of a subsidiary	25.3	**(45,000)**	-	**-**	-
Increase in interest in equity-accounted investees		**(1,485)**	(497,431)	**(1,485)**	(497,430)
Net cash flows from/(used in) investing activities		**(940,508)**	(1,964,097)	**692,771**	(497,430)
FINANCING ACTIVITIES					
Dividend paid to equity holders of parent		**(145,615)**	-	**(145,615)**	-
Dividend paid to shareholders with non-controlling interest		**(7,404)**	(10,328)	**-**	-
Repayments of long-term borrowings	34.1	**(5,570,526)**	(4,417,018)	**(392,000)**	(314,000)
Repayments of short-term borrowings	38	**(1,380,000)**	(100,000)	**-**	-
Payment of principal portion of lease liabilities	22.1.3	**(1,546,752)**	(1,382,228)	**-**	-
Proceeds from long-term borrowings	34.1	**4,050,906**	500,000	**-**	500,000
Proceeds from short-term borrowings	38	**50,000**	1,450,000	**-**	-
Net cash flows from/(used in) financing activities		**(4,549,391)**	(3,959,574)	**(537,615)**	186,000
Net increase/(decrease) in cash and cash equivalents		**699,961**	(1,122,737)	**483,247**	(100,943)
Cash and cash equivalents at the beginning of the year		**(9,312,898)**	(8,190,161)	**254,452**	355,395
Cash and cash equivalents at the end of the year		**(8,612,937)**	(9,312,898)	**737,699**	254,452
ANALYSIS OF CASH & CASH EQUIVALENTS					
Short-term investments (less than 3 months)	31	**48,046**	120,658	**-**	-
Cash in hand and at bank		**1,926,371**	1,828,129	**737,699**	254,452
Bank overdrafts	38.3	**(10,587,354)**	(11,261,685)	**-**	-
Total cash and cash equivalents		**(8,612,937)**	(9,312,898)	**737,699**	254,452

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 234 to 303 form an integral part of these financial statements.

For the year ended 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
A Operating profit/(loss) before working capital changes					
Profit before tax		**2,945,809**	302,007	**2,695,226**	214,491
Adjustments for;					
Depreciation of property, plant and equipment	21.1	**2,493,208**	2,364,492	**-**	-
Provision for employee benefit costs		**69,414**	74,837	**-**	-
Share-based payment expense	33	**7,344**	1,560	**-**	-
Depreciation of right-of-use assets	22.1.1	**2,213,594**	2,213,479	**-**	-
Amortisation of intangible assets	24	**20,309**	11,611	**-**	-
Finance costs	17.2	**2,389,383**	2,593,822	**103,016**	127,153
Gain on disposal of a subsidiary	25.4	**(1,139,210)**	-	**(2,344,067)**	-
Dividend received	15	**-**	-	**(405,492)**	(276,747)
Finance income	17.1	**(44,403)**	(41,484)	**(88,907)**	(98,548)
Loss on sale of property, plant and equipment	16.2	**23,800**	19,393	**-**	-
Share of results of equity-accounted investees	26.2	**225,075**	45,907	**-**	-
Provision for slow moving inventories		**1,745**	675	**-**	-
Provision for impairment losses	29.1	**1,200**	366,336	**-**	-
Net gain from fair value remeasurement of investment properties	23	**(375,025)**	(74,597)	**-**	-
Unrealised (gain)/loss on foreign exchange (net)		**4,420**	(445,882)	**-**	-
Operating profit/(loss) before working capital changes		**8,836,663**	7,432,156	**(40,224)**	(33,651)

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 234 to 303, form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE AND GROUP INFORMATION

1. CORPORATE INFORMATION

Reporting entity

John Keells Hotels PLC is a public limited liability company incorporated and domiciled in Sri Lanka. and listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

In the Director's opinion, the Company's ultimate parent undertaking is John Keells Holdings PLC, which is a Company incorporated in Sri Lanka.

Consolidated Financial Statements

The financial statements for the year ended 31 March 2026, comprise "the Company", which refers to John Keells Hotels PLC as the holding Company and "the Group", which refers to the companies whose accounts have been consolidated therein, together with the group's interests in equity-accounted investees.

Approval of Financial Statements

The Financial statements of the Group and the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 26 May 2026.

Principal activities and nature of operations of the holding Company

John Keells Hotels PLC, the Group's holding Company, manages a portfolio of holdings, consisting of hoteliering business, which together constitute the John Keells Hotels Group.

Responsibility for Financial Statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility on page 224 of the Annual report.

Statement of compliance

The consolidated financial statements of the Group and the separated financial statements of the Company, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

2. GROUP INFORMATION

Subsidiaries, associates and joint ventures

The Companies within the Group are shown in the Group structure on page 28. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

BASIS OF PREPARATION & OTHER SIGNIFICANT ACCOUNTING POLICIES

3. BASIS OF PREPARATION

Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings and equity instruments at fair value through other comprehensive income that have been measured at fair value.

Offsetting

Assets and liabilities, income and expenses are not offset unless required or permitted by the Sri Lanka Accounting Standards.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group companies in determining the going concern basis for preparation of financial statements.

The management has formed the judgement that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future, driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level, along with the financial strength of the Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities, has been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

The following subsidiaries are using different functional currency other than Sri Lankan Rupees (Rs):

Country of incorporation	Functional Currency	Name of the Subsidiary
Republic of Maldives	United States Dollar (USD)	Fantasea World Investments (Pvt) Ltd
		John Keells Maldivian Resorts (Pvt) Ltd
		Tranquility (Pvt) Ltd
		Travel Club (Pvt) Ltd

Each material class of similar items is presented cumulatively in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1, 'Presentation of Financial Statements'.

All values are rounded to the nearest rupee thousand (Rs.'000) except when otherwise indicated.

The significant accounting policies are discussed with relevant individual notes.

The share of results of equity accounted investees in the income statement and other comprehensive income statement are shown net of all related taxes.

The indicative US Dollar financial statements on pages 307 to 309 do not form part of the financial statements prepared in accordance with SLFRS/LKAS.

Comparative information

The presentation and classification of the financial statements of the previous year have been amended where relevant to improve their presentation and make them comparable with those of the current year.

Amendments to the financial statements due to changes in accounting standards are discussed in Note 6.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

A summary of material accounting policies has been disclosed along with the relevant individual notes in the subsequent pages. Those accounting policies presented with each note have been applied consistently by the Group.

Other material accounting policies not covered with individual notes

The following accounting policies, which have been applied consistently by the Group, are considered to be material but are not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

Foreign currency translation, foreign currency transactions and balances

The consolidated financial statements are presented in Sri Lankan rupees (Rs.), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the Group's entities operate.

All foreign exchange transactions are converted to functional currency at the rates of exchange prevailing at the time the transactions are effected.

Monetary assets and liabilities denominated in foreign currency are translated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss

arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

Foreign operations

The statement of financial position and income statement of overseas subsidiaries which are deemed to be foreign operations are translated to Sri Lanka Rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period, respectively.

The Exchange rates applicable during the period were as follows:

	Closing Rate		Average Rate	
Rs.	2026	2025	2026	2025
US Dollar	315.38	296.33	304.47	298.02

The exchange differences arising from translation are recognised directly in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgements, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the financial statements. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market developments or circumstances beyond the Group's control. Such changes are reflected in the assumptions when they occur.

The items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

a) Valuation of property, plant and equipment and investment properties

b) Impairment of non-financial assets

c) Share-based payments

d) Taxes

e) Employee benefit liabilities

f) for expected credit losses of trade receivables and contract assets

g) Leases - Estimating the incremental borrowing rate

h) Going concern basis

6. CHANGES IN ACCOUNTING STANDARDS

The following amendments and improvements do not expect to have a significant impact on the Group's financial statements.

Amendments to LKAS 21 : Lack of Exchangeability

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments

SLFRS 19 Subsidiaries without public accountability: Disclosures

GROUP BUSINESS, OPERATIONS & MANAGEMENT

8. OPERATING SEGMENT INFORMATION

Accounting policy

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group's internal organisation and management are structured based on the Group's geographical spread of operations. Accordingly, the Group's operating segments are determined based on the Group's geographical spread of operations, Sri Lanka and the Maldives.

Segment information has been prepared in conformity with the accounting policies adopted for the preparation and presentation of the Group's consolidated financial statements. No operating segments have been aggregated to form reportable operating segments.

An individual segment manager is determined for each operating segment, and the results are regularly reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments' information, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are carried out in the ordinary course of business.

8.1 Business segments

The following tables present revenue, profit/(loss) information, assets and liabilities based on the Group's operating segments. In addition to segment results, information such as finance costs/income, tax expenses have been allocated to segments for better presentation.

8. OPERATING SEGMENT INFORMATION (Contd.)

For the year ended 31 March	Sri Lanka		Maldives		Group	
In Rs. '000s	2026	2025	2026	2025	2026	2025
Disaggregation of revenue - Timing of revenue recognition						
Services transferred over time	13,084,293	11,194,767	19,645,079	18,517,730	32,729,372	29,712,497
Less: Inter-segment revenue	(17,036)	(30,931)	(423,587)	(363,339)	(440,623)	(394,270)
Net segment revenue from contracts with customers	13,067,257	11,163,836	19,221,492	18,154,391	32,288,749	29,318,227
Segment results	2,070,621	1,279,714	1,740,480	1,395,111	3,811,101	2,674,825
Other operating income	1,149,055	13,455	180,683	137,375	1,329,738	150,830
Finance costs	(747,153)	(882,600)	(1,642,230)	(1,711,222)	(2,389,383)	(2,593,822)
Finance income	24,688	32,979	19,715	8,505	44,403	41,484
Net gain from fair value remeasurement of investment properties	375,025	74,597	-	-	375,025	74,597
Share of results of equity-accounted investees	(225,075)	(45,907)	-	-	(225,075)	(45,907)
Profit/(loss) before tax	2,647,161	472,238	298,648	(170,231)	2,945,809	302,007
Tax expense	(911,435)	(447,765)	(84,406)	(76,916)	(995,841)	(524,681)
Profit/(loss) for the year	1,735,726	24,473	214,242	(247,147)	1,949,968	(222,674)
Assets						
Segment assets	27,978,839	27,443,302	49,088,703	49,549,086	77,067,542	76,992,388
Goodwill	316,352	413,812	256,595	256,595	572,947	670,407
Total assets	28,295,191	27,857,114	49,345,298	49,805,681	77,640,489	77,662,795
Liabilities						
Segment liabilities	11,651,496	13,437,412	31,011,850	32,642,177	42,663,346	46,079,589
Total liabilities	11,651,496	13,437,412	31,011,850	32,642,177	42,663,346	46,079,589
Other Information						
Purchase and construction of property, plant and equipment	825,495	595,076	849,013	517,473	1,674,508	1,112,549
Additions to right-of-use assets	79,217	48,674	35,874	-	115,091	48,674
Additions to intangible assets	30,466	75,281	-	12,703	30,466	87,984
Depreciation of property, plant and equipment	950,357	859,142	1,542,851	1,505,350	2,493,208	2,364,492
Depreciation of right-of-use assets	30,957	29,775	2,182,637	2,183,704	2,213,594	2,213,479
Amortisation of intangible assets	9,824	3,673	10,485	7,938	20,309	11,611
Lease liabilities	519,100	437,895	16,208,208	16,708,072	16,727,308	17,145,967
Interest-bearing loans and borrowings	4,282,437	4,368,457	2,396,675	3,632,944	6,679,112	8,001,401
Short-term borrowings	570,000	1,900,000	-	-	570,000	1,900,000
Provision for employee benefit costs	69,414	74,837	-	-	69,414	74,837

9. BASIS OF CONSOLIDATION

Accounting policy

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, and share of profit or loss and net assets of equity-accounted investees as at 31 March 2026. Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control over an investee

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Subsidiaries

Subsidiaries are those enterprises controlled by the parent and have been listed in the Group directory under supplementary section of the annual report.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income statement and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

Loss of control

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of financial position.

Non-controlling interest (NCI)

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent.

The consolidated statement of cash flows includes the cash flows of the Company and its subsidiaries.

10. BUSINESS COMBINATIONS & GOODWILL

Accounting policy

Business combinations are accounted for using the acquisition method. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred, including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred, including the recognised amount of any non-controlling interests in the acquiree, is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration, which is deemed to be an asset or liability, and which is a financial instrument and within the scope of SLFRS 9, is measured at fair value with changes in fair value either in the income statement or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of SLFRS 9, it is measured in accordance with the appropriate SLFRS/LKAS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value maybe impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment of Goodwill

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments held by the Group principally comprise cash, loans and other receivables, trade and other receivables, trade and other payables and loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group. These financial instruments are exposed to credit, liquidity and market risks.

The Group has established guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and related controlling. The guidelines upon which the Group's risk management processes are based are designed to identify and analyse these risks throughout the Group, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Group manages and monitors these risks primarily through its operating and financing activities.

11.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debtor impairment is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents and fair value through OCI financial investments, the Group's exposure to credit risk arises from the counterparty's default. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure that the counterparties fulfil their obligations.

11.1.1 Credit risk exposure - Group

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without considering collateral, if available). Following table shows the maximum risk positions of the Group.

As at 31 March		2026					
In Rs. '000s	Note	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short-term investments	Amounts due from related parties	Total
Deposits with bank and non-bank financial institutes	11.1.2	373,315	-	-	48,046	-	421,361
Trade and other receivables	11.1.3	-	-	4,512,478	-	-	4,512,478
Amounts due from related parties	11.1.4	-	-	-	-	177,129	177,129
Loans to executives	11.1.5	4,887	-	715	-	-	5,602
Cash in hand and at bank	11.1.2	-	1,926,371	-	-	-	1,926,371
Total credit risk exposure		378,202	1,926,371	4,513,193	48,046	177,129	7,042,941
Financial assets at fair value through OCI	11.1.6	170,247	-	-	-	-	170,247
Total equity risk exposure		170,247	-	-	-	-	170,247
Total		548,449	1,926,371	4,513,193	48,046	177,129	7,213,188

As at 31 March		2025					
In Rs. '000s	Note	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short-term investments	Amounts due from related parties	Total
Deposits with bank and non-bank financial institutes	11.1.2	218,546	-	-	120,658	-	339,204
Trade and other receivables	11.1.3	-	-	3,507,039	-	-	3,507,039
Amounts due from related parties	11.1.4	-	-	-	-	262,753	262,753
Cash in hand and at bank	11.1.2	-	1,828,129	-	-	-	1,828,129
Total credit risk exposure		218,546	1,828,129	3,507,039	120,658	262,753	5,937,125
Financial assets at fair value through OCI	11.1.6	170,240	-	-	-	-	170,240
Total equity risk exposure		170,240	-	-	-	-	170,240
Total		388,786	1,828,129	3,507,039	120,658	262,753	6,107,365

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Credit risk exposure - Company

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions of the Company.

As at 31 March		2026				
In Rs. '000s	Note	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total
Trade and other receivables	11.1.3	-	-	2,082,769	-	2,082,769
Amounts due from related parties	11.1.4	-	-	-	11,164	11,164
Cash in hand and at bank	11.1.2	-	737,699	-	-	737,699
Total credit risk exposure		-	737,699	2,082,769	11,164	2,831,632
Financial assets at fair value through OCI	11.1.6	19	-	-	-	19
Total equity risk exposure		19	-	-	-	19
Total		19	737,699	2,082,769	11,164	2,831,651

As at 31 March		2025				
In Rs. '000s	Note	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total
Amounts due from related parties	11.1.4	-	-	-	9,006	9,006
Cash in hand and at bank	11.1.2	-	254,452	-	-	254,452
Total credit risk exposure		-	254,452	-	9,006	263,458
Financial assets at fair value through OCI	11.1.6	12	-	-	-	12
Total equity risk exposure		12	-	-	-	12
Total		12	254,452	-	9,006	263,470

11.1.2 Credit risk relating to cash and cash equivalents

In order to mitigate settlement and operational risks related to cash and cash equivalents, the Group and Company use several banks with acceptable ratings for its deposits.

Deposits with bank mainly consist of fixed and call deposits. As at 31 March 2026, 100% of the fixed and call deposits (2025 - 100%) of the Group was rated "A" or better.

Deposits with banks and Credit rating of the banks

As at 31 March	Group			
Fitch ratings	2026		2025	
	In Rs. '000	As a %	In Rs. '000	As a %
AA-	-	-	45,822	38%
A	48,046	100%	74,836	62%
	48,046	100%	120,658	100%

11.1.3 Trade and other receivables

As at 31 March	Group	
In Rs. '000s	2026	2025
Neither past due nor impaired	1,682,479	2,375,314
Past due but not impaired		
31–60 days	2,681,120	808,766
61–90 days	120,072	246,932
> 91 days	29,522	76,027
Impaired	538,213	506,974
Gross carrying value	5,051,406	4,014,013
Less: Allowance for expected credit losses	(538,213)	(506,974)
Total	4,513,193	3,507,039

The Group has obtained customer deposits from major customers by reviewing their past performance and creditworthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historically observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable as indicating impairment when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to provide impairment indications when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

11.1.4 Amounts due from related parties

The Group's amounts due from related parties mainly consists of the balances from affiliate companies and ultimate parent.

11.1.5 Loans to executives

Loans to executives portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary power of attorney/promissory notes as collateral for the loans granted.

11.1.6 Financial assets at fair value through OCI

All equity investments are made after obtaining approval of the Board of Directors.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

11.2 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium-term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk of a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

11.2.1 Net debt

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Short-term investments	48,046	120,658	-	-
Cash in hand and at bank	1,926,371	1,828,129	737,699	254,452
Total liquid assets	1,974,417	1,948,787	737,699	254,452
Interest-bearing loans and borrowings	6,679,112	8,001,401	952,698	1,350,487
Short-term borrowings	570,000	1,900,000	-	-
Bank overdrafts	10,587,354	11,261,685	-	-
Total liabilities	17,836,466	21,163,086	952,698	1,350,487
Net debt	15,862,049	19,214,299	214,999	1,096,035

11.2.2 Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group. The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings. The Group is also confident on the support which can be extended by its parent company in managing funding requirements should there be a need.

Maturity analysis - Group

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 March	2026						
In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	2,012,689	2,893,259	2,024,260	537,647	257,003	-	7,724,858
Lease liabilities	2,341,671	2,412,256	2,418,146	935,142	3,484,539	15,202,823	26,794,577
Short-term borrowings	570,000						570,000
Trade and other payables	2,335,937	-	-	-	-	-	2,335,937
Amounts due to related parties	727,472	-	-	-	-	-	727,472
Bank overdrafts	10,587,354	-	-	-	-	-	10,587,354
Total	18,575,123	5,305,515	4,442,406	1,472,789	3,741,542	15,202,823	48,740,198

As at 31 March	2025						
In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	4,531,875	1,993,433	1,216,901	687,189	514,288	251,617	9,195,303
Lease liabilities	2,224,943	2,291,131	2,355,890	2,392,525	1,039,958	18,643,367	28,947,814
Short-term borrowings	1,900,000						1,900,000
Trade and other payables	2,380,799	-	-	-	-	-	2,380,799
Amounts due to related parties	680,031	-	-	-	-	-	680,031
Bank overdrafts	11,261,685	-	-	-	-	-	11,261,685
Total	22,979,333	4,284,564	3,572,791	3,079,714	1,554,246	18,894,984	54,365,632

Maturity analysis - Company

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March	2026						
In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	482,249	438,402	167,337	-	-	-	1,087,988
Trade and other payables	35,277	-	-	-	-	-	35,277
Amounts due to related parties	2,919	-	-	-	-	-	2,919
Total	520,445	438,402	167,337	-	-	-	1,126,184

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at 31 March	2025						
In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	497,408	462,778	424,654	163,622	-	-	1,548,462
Trade and other payables	13,266	-	-	-	-	-	13,266
Amounts due to related parties	2,425	-	-	-	-	-	2,425
Total	513,099	462,778	424,654	163,622	-	-	1,564,153

11.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices comprise the following risks:

- Interest rate risk
- Foreign currency risk
- Equity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analysis in the following sections relate to the position as at 31 March in 2026 and 2025.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2026 and 2025.

11.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates while interest rate swap agreements are in place for a significant portion of the Group's foreign currency borrowing portfolio.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

For the year ended 31 March	Increase/ (decrease) in basis points		Group Effect on profit/(loss) before tax
	Rupee borrowings	Other currency borrowings	In Rs. '000
2026	**+ 72 basis points**	**+ 67 basis points**	**(48,122)**
	- 72 basis points	**- 67 basis points**	**48,122**
2025	+ 266 basis points	+ 72 basis points	174,423
	- 266 basis points	- 72 basis points	(174,423)

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market.

11.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions, which are affected by foreign exchange movements.

Effects of currency transaction and translation

For purposes of Group consolidated financial statements, the income and expenses and the assets and liabilities of subsidiaries located outside Sri Lanka are converted into Sri Lankan Rupees. Therefore, period-to-period changes in average exchange rates may cause translation effects that have a significant impact on, for example, revenue, segment results (earnings before interest and taxes – EBIT) and assets and liabilities of the Group. Unlike exchange rate transaction risk, exchange rate translation risk does not necessarily affect future cash flows. The Group's equity position reflects changes in book values caused by exchange rates.

The Group's exposure to foreign currency changes for currencies other than USD is not material.

For the year ended 31 March	Group		
	Increase/(decrease) in exchange rate USD	Effect on profit/(loss) before tax	Effect on equity
		In Rs. '000	In Rs. '000
2026	**+5.20%**	**(717,095)**	**1,351,618**
	-5.20%	**717,095**	**(1,351,618)**
2025	+1.48%	(232,011)	344,794
	-1.48%	232,011	(344,794)

Assumptions

The assumed movement, in the spread of the exchange rate sensitivity analysis, is based on the current observable market environment.

The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. At a Group level, the translation risk on foreign currency debt is largely hedged "naturally" because of the conscious strategy of maintaining US Dollar cash balances at the holding company, whilst also ensuring obligations can be managed through US Dollar-denominated revenue streams.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

11.3.3 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. All unquoted equity investments are made after obtaining approval of the Group Executive Committee.

11.3.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back shares.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Debt/Equity	51%	67%	6%	10%

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Accounting policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Involvement of external valuers are decided upon annually by the Group after discussion with and approval by the Company's Audit Committee. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares - Notes 25, 26, 27
- Property, plant and equipment under revaluation model - Note 21.2
- Financial instruments (including those carried at amortised cost) - Note 13.4
- Investment properties - Note 23

The fair value of the assets as at 31 December 2025 are based on valuations performed by Sunil Fernando & Associates (Pvt) Limited, an accredited independent valuer and a specialist in valuing such significant assets. The valuation model applied is in accordance with the International Valuation Standards Committee's recommendations.

12.1 Financial assets and liabilities by fair value hierarchy - Group

The Group held the following financial instruments carried at fair value in the statement of financial position:

As at 31 March		Level 1		Level 2		Level 3	
In Rs. '000s	Note	2026	2025	2026	2025	2026	2025
Financial assets							
Quoted equity investments							
Ceylon Hotels Corporation PLC		19	12	-	-	-	-
Unquoted equity investments							
Rainforest Ecolodge (Pvt) Ltd		-	-	-	-	8,871	8,871
Rajawella Holdings Ltd		-	-	-	-	161,357	161,357
Total		19	12	-	-	170,228	170,228
Non-financial assets							
Assets measured at fair value							
Property, plant and equipment							
Land and buildings	21.1	-	-	-	-	8,165,835	9,812,796
Buildings on leasehold land		-	-	-	-	8,160,427	8,167,310
Investment properties							
Freehold properties	23	-	-	-	-	2,520,700	2,145,675
Total		-	-	-	-	18,846,962	20,125,781

In determining the fair value, the highest and best use of the property has been considered, including the current condition of the property, future usability, and associated redevelopment requirements. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES (Contd.)

12.2 Financial assets and liabilities by fair value hierarchy - Company

The Company held the following financial instruments carried at fair value in the statement of financial position:

As at 31 March	Level 1		Level 2		Level 3	
In Rs. '000s	2026	2025	2026	2025	2026	2025
Quoted equity investments	19	12	-	-	-	-
Total	19	12	-	-	-	-

During the reporting periods 31 March 2026 and 2025, there were no transfers between the 3 levels.

12.3 Reconciliation of fair value measurements of Level 3 financial instruments

The Group carries unquoted equity shares as equity instruments designated at fair value through OCI classified as Level 3 within the fair value hierarchy.

A reconciliation of the beginning and closing balances including movements is summarised below:

	Group
	In Rs. '000s
As at 1 April 2025	170,228
As at 31 March 2026	170,228

13 FINANCIAL INSTRUMENTS AND RELATED POLICIES

Accounting policy

13.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the income statement.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and quoted and unquoted financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories.

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and short-term investments and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

Equity instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify its equity investments irrevocably as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its unquoted equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted equity investments are also recognised as other income in the income statement when the right of payment has been established.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

13.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation 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 amortisation is included as finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

13.3 Offsetting of financial instruments

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

13.4 Financial assets and liabilities by categories

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

Financial assets by categories

As at 31 March	Group			
In Rs. '000	Financial assets at amortised cost		Financial assets at fair value through OCI	
	2026	2025	2026	2025
Financial instruments in non-current assets				
Non-current financial assets	**378,202**	218,546	**170,247**	170,240
Financial instruments in current assets				
Trade and other receivables	**4,513,193**	3,507,039	**-**	-
Amounts due from related parties	**177,129**	262,753	**-**	-
Short-term investments	**48,046**	120,658	**-**	-
Cash in hand and at bank	**1,926,371**	1,828,129	**-**	-
Total	**7,042,941**	5,937,125	**170,247**	170,240

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (Contd.)

As at 31 March In Rs. '000	Company			
	Financial assets at amortised cost		Financial assets at fair value through OCI	
	2026	2025	2026	2025
Financial instruments in non-current assets				
Non-current financial assets	-	-	19	12
Financial instruments in current assets				
Trade and other receivables	2,082,769	-	-	-
Amounts due from related parties	11,164	9,006	-	-
Cash in hand and at bank	737,699	254,452	-	-
Total	2,831,632	263,458	19	12

Both carrying amount and fair value are equal to financial assets at fair value through OCI.

The fair value of loans and receivables does not significantly vary from the value based on the amortised cost methodology.

Financial liabilities by categories

As at 31 March In Rs. '000	Group		Company	
	Financial liabilities measured at amortised cost		Financial liabilities measured at amortised cost	
	2026	2025	2026	2025
Financial instruments in non-current liabilities				
Interest-bearing loans and borrowings	5,142,944	4,051,716	540,832	932,601
Financial instruments in current liabilities				
Trade and other payables	2,335,937	2,380,799	35,277	13,266
Amounts due to related parties	727,472	680,031	2,919	2,425
Interest-bearing loans and borrowings	1,536,168	3,949,685	411,866	417,886
Short-term borrowings	570,000	1,900,000	-	-
Bank overdrafts	10,587,354	11,261,685	-	-
Total	20,899,875	24,223,916	990,894	1,366,178

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

The management assessed that the fair value of cash and short-term investments, trade and other receivables, trade and other payables and bank overdrafts approximates their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of quoted equities and bonds is based on price quotations in an active market at the reporting date.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the unquoted ordinary shares has been estimated using a discounted cash flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Accounting judgements, estimates and assumptions

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES TO THE INCOME STATEMENT, STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

Accounting policy

14.1 Contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Services transferred over time

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

14. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

14.2 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the year ended 31 March	Group	
In Rs. '000s	2026	2025
Timing of revenue recognition		
Services transferred over time	28,407,293	26,074,922
Services transferred at a point in time	3,881,456	3,243,305
Total revenue from contracts with customers	32,288,749	29,318,227
Geographical markets		
Sri Lanka	2,977,455	2,558,126
Asia (excluding Sri Lanka)	3,116,885	2,301,966
Europe	19,002,709	18,905,540
Others	7,191,700	5,552,595
Total revenue from contracts with customers	32,288,749	29,318,227
Type of services		
Provision of accommodation	19,545,840	17,570,818
Provision of food and beverages	3,881,456	3,243,305
Others	8,861,453	8,504,104
Total revenue from contracts with customers	32,288,749	29,318,227

Direct taxes have been deducted in arriving at the gross revenue.

14.3 Reconciliation of revenue

Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section.

14.4 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

As at 31 March	Group	
In Rs. '000s	2026	2025
Trade and other receivables	208,620	350,470
Contract assets	208,620	350,470

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received for the delivery of services and short-term advances received for the rendering of certain services.

As at 31 March	Group	
In Rs. '000s	2026	2025
Other current liabilities	1,101,435	1,137,107
Contract liabilities	**1,101,435**	1,137,107
Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	1,137,107	1,048,457
Performance obligations satisfied	1,137,107	1,048,457

14.5 Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Revenue from hotel operations consists of room sales, food and beverage sales and revenue from auxiliary activities, which is recognised when the service is rendered, and presented net of sales taxes and discounts.

Provision of accommodation

The revenue for providing accommodations are recognised over the period of stay and billed to the guest on departure. The entity identifies the services under each contract as one performance obligation.

Provision of food and beverages

This is the revenue for providing the meals according to the meal plan, which is part and parcel of the customer contract. Meal plans could be bed and breakfast (BB), half board (HB), full board (FB), or all-inclusive (AI). Revenue is recognised at the point of sale and billed to the guest upon departure. For guests who do not come through a meal plan contract, income is recognised and invoiced to the guest at the point of sale.

Others

Other revenue represents revenue from other value-added services provided by the business, including SPA services, laundry services, excursions and water sports. Revenue is recognised at the time of provision of service and invoice is raised at the time of service is consumed.

The Group applies the practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 March 2026.

15. DIVIDEND INCOME

Accounting policy

Dividend income is recognised when the right to receive the payment is established.

For the year ended 31 March	Company	
In Rs. '000s	2026	2025
Dividend income from investments in subsidiaries	405,492	276,747
	405,492	276,747

16. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting policy

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue-generating activities and those arising from a Group of similar transactions, which are not material, are aggregated, reported and presented on a net basis.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

16.1 Other operating income

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Gain on disposal of subsidiary	1,139,210	-	2,344,067	-
Sundry income	190,528	150,830	954	-
Exchange gains	-	-	71	-
	1,329,738	150,830	2,345,092	-

16.2 Other operating expenses

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Power and energy	1,395,091	1,525,365	-	-
Maintenance and repair costs	1,379,464	1,264,076	-	-
Loss on disposal of property, plant and equipment	23,800	19,393	-	-
Exchange losses	23,899	16,410	-	223
Other overheads	606,330	488,343	978	160
	3,428,584	3,313,587	978	383

17. FINANCE INCOME AND FINANCE COSTS

Accounting policy

Finance income

Finance income comprises interest income on funds invested, gains on the disposal of fair value though OCI financial assets.

Finance income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of fair value though OCI financial assets, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement.

Finance costs are recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

17.1 Finance income

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Interest income	44,403	41,484	88,907	98,548
	44,403	41,484	88,907	98,548

17.2 Finance costs

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Interest expense on bank borrowings	1,593,182	1,919,063	103,016	127,153
Interest on lease liabilities	796,201	674,759	-	-
	2,389,383	2,593,822	103,016	127,153

18. PROFIT BEFORE TAX

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Profit before tax is stated after charging all expenses including the following;				
Remuneration to non-executive directors	7,340	7,865	7,340	7,865
Auditors' remuneration:				
Audit	43,947	39,197	4,729	3,737
Non-audit	9,058	6,439	469	354
Cost of defined employee benefits:				
Defined benefit plan cost	61,986	68,703	-	-
Defined contribution plan cost (EPF and ETF)	184,291	160,747	-	-
Other long term employee benefits cost	7,428	6,134	-	-
Staff expenses	5,495,460	5,226,008	-	-
Share-based payments	7,344	1,560	-	-
Depreciation of property, plant and equipment & ROU assets	4,706,802	4,577,971	-	-
Donations	19,445	10,439	-	-
Impairment provision of bad and doubtful debts	1,200	366,336	-	-
Provision for slow-moving inventories	1,745	675	-	-
Net loss on disposal of property, plant and equipment	23,800	19,393	-	-

19. TAXES

Accounting policy

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity, and for items recognised in other comprehensive income, shall be recognised in other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgement on the application of tax laws, including transfer pricing regulations involving the identification of associated undertakings, estimating the respective arm's length prices and selecting an appropriate pricing mechanism.

The Group has complied with the arm's length principles relating to transfer pricing as prescribed in the Inland Revenue Act, and has complied with the related Gazette notification issued by the Ministry of Finance, Sri Lanka.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits, tax losses and other credits carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures,deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability is recognised for the companies enjoying the tax holiday period under Board of Investment (BOI), if there are no qualifying assets or liabilities beyond the tax holiday period.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of an assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

19.1 Tax expense/(reversal)

For the year ended 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Income statement					
Current tax charge	19.5	510,218	230,685	7,172	7,833
Under/(over) provision of current tax of previous years		(9,341)	(23,869)	25	851
Withholding tax on inter-company dividends		101,804	79,911	-	-
Capital gains Tax		368,111	-	368,111	-
Irrecoverable remittance tax		6,602	-	6,602	-
Deferred tax charge					
Relating to origination and reversal of temporary differences	19.2	18,447	237,954	-	9,083
	19.6	995,841	524,681	381,910	17,767
Other comprehensive income					
Deferred tax charge					
Relating to origination and reversal of temporary differences	19.2	197,017	294,876	-	-
		197,017	294,876	-	-

19. TAXES (Contd.)

19.2 Deferred tax expense/(reversal)

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Income statement				
Deferred tax arising from:				
Accelerated depreciation for tax purposes	**(47,445)**	21,918	**-**	-
Revaluation of investment properties to fair value	**112,508**	23,138	**-**	-
Retirement benefit obligations	**(11,919)**	(4,105)	**-**	-
Benefit arising from tax losses	**175,526**	298,567	**-**	9,083
Others	**(210,223)**	(101,564)	**-**	-
Deferred tax charged directly to income statement	**18,447**	237,954	**-**	9,083
Other comprehensive income				
Deferred tax arising from:				
Employee benefits liabilities	**(29,761)**	22,856	**-**	-
Revaluation of land and buildings to fair value	**226,778**	272,020	**-**	-
Deferred tax charged directly to OCI	**197,017**	294,876	**-**	-
Total deferred tax charge for the year	**215,464**	532,830	**-**	9,083

Deferred tax has been computed at the following rates:

Sri Lanka

- Beruwala Holiday Resorts (Pvt) Ltd - 15%
- Other companies in Sri Lanka - 30%

Maldives

- Subsidiary companies in the Maldives - 15%

19.3 Income tax liabilities

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Balance at the beginning of the year	**230,285**	73,699	**13,396**	9,518
Charge for the year	**510,218**	230,685	**7,172**	7,833
Capital gain tax	**368,111**	-	**368,111**	-
Payments, set off against refunds and tax credits	**(400,197)**	(72,931)	**(2,547)**	(3,955)
Exchange differences	**10,502**	(1,168)	**-**	-
Balance at the end of the year	**718,919**	230,285	**386,132**	13,396

19.4 Deferred tax assets and liabilities

19.4.1 Deferred tax assets

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Balance at the beginning of the year	**825,794**	980,647	**-**	9,083
Charge/(release)	**71,246**	(226,402)	**-**	(9,083)
Acquisition of subsidiary	**94**	-	**-**	-
Exchange differences	**40,029**	(6,782)	**-**	-
Transfers	**11,237**	78,331	**-**	-
Balance at the end of the year	**948,400**	825,794	**-**	-
The closing deferred tax asset balance relates to the following:				
Revaluation of land and building to fair value	**(534,404)**	(706,005)	**-**	-
Accelerated depreciation for tax purposes	**(347,438)**	(385,786)	**-**	-
Employee benefits liabilities	**32,925**	40,670	**-**	-
Losses available for off-set against future taxable income	**1,163,091**	1,327,234	**-**	-
Others	**634,226**	549,681	**-**	-
	948,400	825,794	**-**	-

The geographical break up of deferred tax recognised in respect of tax losses, is as follows:

As at 31 March	Group	
In Rs. '000s	2026	2025
Sri Lanka	**1,058,156**	1,252,262
Maldives	**104,935**	74,972
	1,163,091	1,327,234

19. TAXES (Contd.)

19.4.2 Deferred tax liabilities

As at 31 March	Group	
In Rs. '000s	2026	2025
Balance at the beginning of the year	**2,073,346**	1,688,146
Charge/(release)	**286,709**	306,428
Exchange differences	**-**	441
Disposal of subsidiary	**(506,680)**	-
Transfers	**11,237**	78,331
Balance at the end of the year	**1,864,612**	2,073,346
The closing deferred tax liability balance relates to the following:		
Revaluation of land and buildings to fair value	**1,720,211**	1,857,355
Revaluation of investment properties to fair value	**284,071**	171,563
Accelerated depreciation for tax purposes	**131,263**	230,387
Employee benefits liabilities	**(71,641)**	(41,932)
Losses available for offset against future taxable income	**(91,236)**	(190,351)
Others	**(108,056)**	46,324
	1,864,612	2,073,346

The geographical break up of deferred tax recognised in respect of tax losses is as follows:

As at 31 March	Group	
In Rs. '000s	2026	2025
Sri Lanka	**(91,236)**	(190,351)
	(91,236)	(190,351)

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes, including VAT/GST. Significant judgement was required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences between actual results and assumptions, or future changes to those assumptions, could necessitate adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has tax losses related to subsidiaries that have a history of losses that do not expire and may not be used to offset other tax liabilities and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets.

The Group has contingent liabilities amounting to Rs. 37.1 Mn (2025 – Rs. 69.4 Mn). These have been arrived at after discussing with independent and legal tax experts and based on information available. All assumptions are revisited as at the reporting date.

Further details on contingent liabilities are disclosed in Note 43 to the financial statements.

19.5 Reconciliation between current tax charge and the accounting profit

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Profit before tax	2,945,809	302,007	2,695,226	214,491
Dividend income from Group companies	405,492	276,747	-	-
Share of results of equity-accounted investees	225,075	45,907	-	-
Other consolidation adjustments	1,577,773	185,854	-	-
Profit after adjustments	5,154,149	810,515	2,695,226	214,491
Income not liable for income tax	(954)	-	(954)	-
Income subject to capital gain tax	(2,344,067)	-	(2,344,067)	-
Resident dividend	(661,187)	(343,833)	(287,187)	(158,333)
Adjusted accounting profit chargeable to income taxes	2,147,941	466,682	63,018	56,158
Disallowable expenses	6,947,102	8,446,366	-	-
Allowable expenses	(5,666,681)	(7,116,134)	-	-
Utilisation of tax losses	(1,047,349)	(1,126,591)	(15,203)	(30,048)
Tax losses not utilised in the current financial year	96,163	635,891	-	-
Taxable income	2,477,176	1,306,214	47,815	26,110
Current tax charged at				
Rate of 30% (2025 - 30%)	303,955	69,687	-	7,833
Rate of 15% (2025 -15%)	206,263	160,998	7,172	-
Current tax charge	510,218	230,685	7,172	7,833

19.6 Reconciliation between tax reversal/(expense) and the product of accounting profit

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Adjusted accounting profit chargeable to income taxes	2,147,941	466,682	63,018	56,158
Tax effect on chargeable profits	566,184	146,760	18,905	16,847
Tax effect on non deductible expenses	75,142	102,149	-	-
Tax effect on deductions claimed	(1,905)	(1,812)	-	-
Net tax effect of unrecognised deferred tax assets for the year	(124,596)	179,331	134	-
Net tax effect of deferred tax assets in respect of previous years	21,012	42,211	(4,695)	69
Under/(over) provision of current tax of prior years	(9,341)	(23,869)	25	851
Deferred tax due to rate differentials	(7,172)	-	(7,172)	-
Other income based taxes:				
Withholding tax on inter-company dividends	101,804	79,911	-	-
Capital gain tax	368,111	-	368,111	-
Irrecoverable remittance tax	6,602	-	6,602	-
Total tax reversal/(expense)	995,841	524,681	381,910	17,767

The Group tax is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka and Maldives do not provide for Group taxation.

19. TAXES (Contd.)

19.7 Tax losses carried forward

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Balance at the beginning of the year	9,244,714	11,027,655	-	30,275
Adjustments on finalisation of liability	(137,216)	(203,509)	15,650	(227)
Tax losses arising during the year	96,163	635,891	-	-
Utilisation of tax losses	(1,047,349)	(1,126,591)	(15,203)	(30,048)
Tax losses time barred	(1,958,416)	(851,311)	-	-
Disposal of subsidiary	(311,410)	-	-	-
Exchange differences	137,130	(237,421)	-	-
Balance at the end of the year	**6,023,616**	9,244,714	**447**	-

The Group has accumulated tax losses that can be carried forward and set off against future taxable profits of the respective companies. However, deferred tax assets have not been recognised for tax losses, amounting to Rs. 1,493Mn as at 31 March 2026 (2025 – Rs. 1,654 Mn), due to the uncertainty of their utilisation against future taxable profits.

19.8 Applicable rates of income tax

Income tax rates of Sri Lankan companies

- Beruwala Holiday Resorts (Pvt) Ltd- 15% (2025 - 15%)
- Other companies in Sri Lanka - 30% (2025 - 30%)
- Subsidiary companies with gain or loss on investment properties - 30% (2025 - 30%)

Income tax rates of offshore companies

The following subsidiaries based in the Republic of Maldives, are subject to income tax at 15%.

- John Keells Maldivian Resorts (Pvt) Ltd
- Travel Club (Pvt) Ltd
- Fantasea World Investments (Pvt) Ltd
- Tranquility (Pvt) Ltd

20. EARNINGS/(LOSS) PER SHARE AND DIVIDENDS PER SHARE

20.1 Earnings/(loss) per share

Accounting policy

Basic earnings/(loss) per share (EPS) is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent (after adjusting outstanding share option scheme and warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year /previous year.

For the year ended 31 March	Group		Company	
	2026	2025	2026	2025
Profit/(loss) attributable to equity holders of the parent (In Rs. '000)	1,933,944	(229,229)	2,313,316	196,724
Weighted average number of ordinary shares (In '000)	1,456,147	1,456,147	1,456,147	1,456,147
Basic/diluted earnings/(loss) per share (Rs.)	**1.33**	(0.16)	**1.59**	0.14

20.2 Dividend per share

For the year ended 31 March	Company	
	2026	2025
Equity dividend on ordinary shares declared and paid during the year (In Rs. '000)	145,615	-
Weighted average number of ordinary shares (In '000)	1,456,147	1,456,147
Dividend per share (Rs.)	0.10	-

21. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment, except for land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation, except for the buildings on leasehold land located in the Maldives.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. The Group has adopted a guideline of revaluing assets by a professional valuer at least once in every five years.

Derecognition

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, to write off such amounts over the estimated useful economic life of the assets or over the remaining period of the lease, whichever is lower.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

21. PROPERTY, PLANT AND EQUIPMENT (Contd.)

The estimated useful life of assets is as follows:

Assets	Years
Buildings on leasehold land	Remaining lease period
Buildings on freehold land	up to 60
Plant and machinery	up to 10
Equipment	up to 08
Furniture and fittings	up to 08
Motor vehicles	up to 08
Computer equipment	up to 05
Cutlery, crockery, glassware and linen	up to 03

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of other comprehensive income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Businesses continued to respond with specific plans to enable smooth and uninterrupted functioning of businesses and operations, despite some of the immediate term challenges due to constraints on supply chains and electricity and fuel disruptions, whilst maintaining strict adherence to Government directives and health and safety considerations. The Group managed to circumvent these issues without a significant impact on output. As such, the Group has not determined impairment as at the reporting date.

21.1 PROPERTY, PLANT AND EQUIPMENT

Group In Rs. '000	Land and buildings	Buildings on leasehold land	Plant and machinery	Equipment	Furniture and fittings	Motor vehicles	Computer equipment	Cutlery, crockery glassware and linen	Capital work in progress	Total 2026	Total 2025
Cost or valuation											
At the beginning of the year	9,975,549	28,453,798	3,085,295	3,826,439	3,127,261	284,776	531,100	570,926	13,742	**49,868,886**	49,210,733
Additions	166,394	282,442	172,915	352,781	178,768	141,449	90,850	203,710	85,199	**1,674,508**	1,112,549
Disposals	(72)	(5,165)	(106,830)	(182,644)	(83,622)	(40,323)	(42,685)	(124,176)	(8,100)	**(593,617)**	(408,428)
Disposal of subsidiary	(2,179,404)	-	(77,651)	(159,433)	(111,256)	(6,700)	(31,135)	(44,531)	-	**(2,610,110)**	-
Revaluations	564,408	256,906	-	-	-	-	-	-	-	**821,314**	981,962
Transfers	-	603	-	(6,062)	-	-	89	5,973	(603)	**-**	(65,007)
Exchange differences	-	1,222,934	85,151	65,657	84,757	(1,496)	(6,361)	3,415	4,442	**1,458,499**	(482,628)
Transfers on revaluation	(114,554)	(397,727)	-	-	-	-	-	-	-	**(512,281)**	(480,295)
At the end of the year	**8,412,321**	**29,813,791**	**3,158,880**	**3,896,738**	**3,195,908**	**377,706**	**541,858**	**615,317**	**94,680**	**50,107,199**	**49,868,886**
Accumulated depreciation											
At the beginning of the year	162,753	9,149,989	2,211,176	2,702,321	2,191,595	191,227	298,239	364,143	-	**17,271,443**	16,052,290
Charge for the year	206,595	1,154,042	249,491	342,327	290,375	39,200	74,613	136,565	-	**2,493,208**	2,364,492
Disposals	-	(5,132)	(102,162)	(166,672)	(73,138)	(26,050)	(36,942)	(98,573)	-	**(508,669)**	(363,170)
Disposal of subsidiary	(8,308)	-	(72,684)	(128,664)	(85,922)	(6,700)	(13,629)	(24,254)		**(340,161)**	-
Transfers	-	-	89	2,952	-	-	(89)	(2,952)	-	**-**	(9,443)
Exchange differences	-	529,827	52,090	35,980	56,565	(7,428)	(11,297)	(2,368)	-	**653,369**	(292,431)
Transfers on revaluation	(114,554)	(397,727)	-	-	-	-	-	-	-	**(512,281)**	(480,295)
At the end of the year	**246,486**	**10,430,999**	**2,338,000**	**2,788,244**	**2,379,475**	**190,249**	**310,895**	**372,561**	**-**	**19,056,909**	**17,271,443**
Carrying value											
As at 31 March 2026	**8,165,835**	**19,382,792**	**820,880**	**1,108,494**	**816,433**	**187,457**	**230,963**	**242,756**	**94,680**	**31,050,290**	
As at 31 March 2025	9,812,796	19,303,809	874,119	1,124,118	935,666	93,549	232,861	206,783	13,742		32,597,443

21. PROPERTY, PLANT AND EQUIPMENT (Contd.)

21.2 REVALUATION OF LAND AND BUILDINGS

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings, except for the buildings on leasehold land located in the Maldives, amounting to Rs.11,222 Mn as at 31 March 2026 (2025 - Rs. 11,136 Mn). The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Valuations are based on open-market prices, adjusted for any differences in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of land and buildings as at 31 December 2025 is based on valuations performed by Sunil Fernando & Associates (Private) Limited, an accredited independent valuer with experience in valuing land and buildings. A net gain from the revaluation of land and buildings in the Group of Rs. 821 Mn in 2026 (2025 - Rs. 982 Mn) was recognised in OCI.

The changes in fair value are recognised in other comprehensive income and in the statement of equity. The valuer has used valuation techniques such as market value and discounted cash flow methods, given the lack of comparable market data available for the property.

The details of property, plant & equipment of the Group, which are stated at valuation, are indicated below.

Property	Method of Valuation	Significant unobservable inputs			Correlation to fair value	Revaluation surplus for the year ended	
		Estimated price per perch	Estimated price per square foot	Estimated discount rate		2026 Rs. '000	2025 Rs.'000
Land and buildings							
Beruwala Holiday Resorts (Pvt) Ltd	Income approach	Rs. 1,150,000 - Rs. 1,450,000	Rs. 5,500 - Rs. 9,350	9.0%	Negative	**130,772**	150,460
Kandy Walk Inn Ltd	Income approach	Rs. 25,000 - Rs. 1,850,000	Rs. 1,750 - Rs. 10,000	9.0%	Negative	**87,820**	176,850
Trinco Holiday Resorts (Pvt) Ltd	Income approach	Rs. 650,000	Rs. 1,500 - Rs. 6,750	9.0%	Negative	**329,044**	110,951
Ceylon Holiday Resorts Ltd	Income approach	Rs. 1,325,000 - Rs. 1,500,000	Rs. 3,000 - Rs. 17,000	9.0%	Negative	**13,700**	31,150
Hikkaduwa Holiday Resorts (Pvt) Ltd	Income approach	Rs. 1,250,000 - Rs. 1,400,000	Rs. 1,750 - Rs. 9,000	9.5%	Negative	**29,131**	2,339
Buildings on leasehold land							
Ceylon Holiday Resorts Ltd	Income approach	-	Rs. 8,500 - Rs. 17,000	9.5%	Negative	**51,390**	293,167
Habarana Lodge Ltd	Income approach	-	Rs. 1,000 - Rs. 12,000	4.0% - 9.65%	Negative	**24,217**	39,393
Habarana Walk Inn Ltd	Income approach	-	Rs. 2,500 - Rs. 9,500	4.0% - 9.5%	Negative	**2,404**	24,098
Hikkaduwa Holiday Resorts (Pvt) Ltd	Income approach	-	Rs. 4,500 - Rs. 9,000	9.5%	Negative	**125,145**	100,808
Yala Village (Pvt) Ltd	Income approach	-	Rs. 2,000 - Rs. 9,250	9.5%	Negative	**27,691**	52,746

21.2.1 Summary description of valuation methodologies

Comparable market approach (CMA)

This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Income approach (IA)

The income approach is used to value properties which are yet to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

21.3 Carrying amounts of fair valued land and buildings

The carrying amounts of fair valued land and buildings if they were carried at cost less depreciation, would be as follows.

As at 31 March	Group	
In Rs. '000	2026	2025
Cost	18,743,129	18,298,927
Accumulated depreciation and impairment	(3,116,766)	(2,804,381)
Carrying value	15,626,363	15,494,546

21.4 Segmental analysis of net book value of property, plant and equipment

As at 31 March	Group	
In Rs. '000	2026	2025
Sri Lanka	17,960,538	19,560,712
Maldives	13,089,752	13,036,731
	31,050,290	32,597,443

21.5 No assets have been pledged as security for term loans obtained (2025 - Nil).

21.6 Group property, plant and equipment with a cost of Rs.5,621 Mn (2025 - Rs.4,926 Mn) have been fully depreciated but continue to be used by the Group.

21.7 No borrowing costs have been capitalised during the year ended 31 March 2026 (2025- Nil) by the Group.

22. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting policy

Set out below are the new accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets when the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

22. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Contd.)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

22.1 Amounts recognised in the statement of financial position

22.1.1 Right-of-Use Assets

Set out below, are the carrying amounts of the Group's right-of-use assets and the movements for the period ended 31 March 2026 and 31 March 2025.

As at 31 March	Group				
In Rs. '000s	Leasehold properties	Motor vehicles	Equipment	Total 2026	Total 2025
Cost					
At the beginning of the year	47,276,530	58,969	21,319	**47,356,818**	48,564,631
Additions	35,874	79,217	-	**115,091**	48,674
Acquisition of subsidiary	88,100	-	-	**88,100**	-
Disposals	-	-	-	**-**	(715,797)
Disposal of subsidiary	-	-	(10,122)	**(10,122)**	-
Exchange differences	2,900,677	-	-	**2,900,677**	(540,690)
At the end of the year	**50,301,181**	**138,186**	**11,197**	**50,450,564**	47,356,818
Accumulated depreciation and impairment					
At the beginning of the year	15,104,677	35,221	2,326	**15,142,224**	13,093,587
Depreciation	2,199,778	10,280	3,536	**2,213,594**	2,213,479
Disposal of subsidiary	-	-	(2,208)	**(2,208)**	-
Exchange difference	930,425	-	-	**930,425**	(164,842)
At the end of the year	**18,234,880**	**45,501**	**3,654**	**18,284,035**	15,142,224
Carrying value					
As at 31 March 2026	**32,066,301**	**92,685**	**7,543**	**32,166,529**	
As at 31 March 2025	32,171,853	23,748	18,993		32,214,594

22.1.2 Leasehold Properties

As at 31 March	Name of the lease owner	Year of lease commencement	Year of lease expiry	Lease term (Years)	Carrying value	
					2026 Rs. '000s	2025 Rs. '000s
Ceylon Holiday Resorts Ltd	Sri Lanka Tourism Development Authority	2018	2048	30	**229,001**	239,450
Yala Village (Pvt) Ltd	Sri Lanka Tourism Development Authority	2006	2036	30	**32,155**	35,169
Hikkaduwa Holiday Resorts (Pvt) Ltd	Sri Lanka Tourism Development Authority	2010	2040	30	**39,132**	41,847
Habarana Lodge Ltd	Divisional Council Kekirawa, Sri Lanka	2008 2011 2018	2038 2041 2047	30	**13,414**	14,246
Habarana Walk Inn Ltd	Divisional Council Kekirawa, Sri Lanka	2004	2034	30	**1,053**	1,185
Yala Adventure Park (Pvt) Ltd	Sri Lanka Tourism Development Authority	2024	2054	30	**88,100**	-
Tranquility (Pvt) Ltd						
Cinnamon Dhonveli Maldives	The Government of the Republic of Maldives	1995	2094	99	**21,789,971**	20,774,848
Cinnamon Velifushi Maldives	Aarah Investment (Pvt) Ltd	2019	2029	10	**3,724,992**	4,460,461
Fantasea World Investments (Pvt) Ltd	The Government of the Republic of Maldives	1997	2047	50	**3,302,862**	3,248,258
Travel Club (Pvt) Ltd	Ellaidhoo Investments (Pvt) Ltd	1995	2030	35	**2,845,621**	3,356,389
Carrying value at the end of the year					**32,066,301**	32,171,853

Leasehold Properties with an aggregate carrying value of Rs. 28,818 Mn (2025: Rs. 28,484 Mn) have been pledged as security against term loan facilities obtained by the Group.

22. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Contd.)

22.1.3 Lease Liabilities

Set out below, are the carrying amounts of the Group's lease liabilities and the movements for the period ended 31 March 2026 and 31 March 2025.

As at 31 March	Group	
In Rs. '000	2026	2025
At the beginning of the year	17,145,967	19,389,240
Cash movement		
Payment of principal portion	(1,546,752)	(1,382,228)
Payment of interest	(712,370)	(594,237)
Non cash movement		
Additions	79,217	48,674
Adjustments/transfers	-	(715,797)
Finance charge on lease liabilities	796,201	674,759
Disposal of subsidiary	(6,160)	-
Acquisition of subsidiary	16,450	-
Exchange differences	954,755	(274,444)
At the end of the year	16,727,308	17,145,967
Current	1,891,363	1,633,526
Non-current	14,835,945	15,512,441
At the end of the year	16,727,308	17,145,967

The maturity analysis of lease liabilities are disclosed in Note 11.2.2

22.2 Amounts recognised in the income statement

For the year ended 31 March	Group	
In Rs. '000	2026	2025
Depreciation expense of right-of-use assets	2,213,594	2,213,479
Interest expense on lease liabilities	796,201	674,759
Total amount recognised in income statement	3,009,795	2,888,238

No expense relating to short-term leases and leases of low-value assets has been recognised in the income statement during the year ended 31 March 2026 (2025 - 48 Mn) by the Group.

The Group had total cash outflows from leases amounting to Rs. 2,259 Mn in 2026 (2025 - 1,976 Mn).

The Group uses 6 months AWPLR plus margin, LIBOR/SOFR plus margin when calculating the incremental borrowing rate which reflects the average rate of borrowings of the Group.

23. INVESTMENT PROPERTIES

Accounting policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day to- day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2025.

Derecognition

Investment properties are derecognised when disposed of, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfer of Investment Properties

Transfers are made to or from investment property only when there is a change in use for a transfer from investment property to owner-occupied property. The deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using Group accounting policy for property, plant and equipment.

As at 31 March	Group	
In Rs. '000	2026	2025
At the beginning of the year	2,145,675	2,070,528
Additions during the year	-	550
Net gain from fair value remeasurement	375,025	74,597
At the end of the year	2,520,700	2,145,675
Freehold property	2,520,700	2,145,675
	2,520,700	2,145,675
Following are the amounts recognised in income statement for the year ended 31 March		
Rental income earned	-	-
Direct operating expenses that did not generate rental income	9,305	7,646

23. INVESTMENT PROPERTIES (Contd.)

Accounting judgements, estimates and assumptions

Fair value of the investment property is ascertained by independent valuations carried out by chartered valuation surveyors, who have recent experience in valuing properties of akin location and category. Investment property is appraised in accordance with LKAS 40, SLFRS 13 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC) by the independent valuers. In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The changes in fair value recognised in the income statement. The determined fair values of investment properties, using investment method, are most sensitive to the estimated yield as well as the long term occupancy rate.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in the valuer's considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

The fair value of investment properties as at 31 December 2025 are based on valuations performed by Sunil Fernando & Associates (Private) Limited, an accredited independent valuer with experience in valuation of investment properties. A net gain from the revaluation of land and buildings amounting to Rs. 375Mn in 2026 (2025 - Rs. 75Mn) was recognised by the Group in the income statement.

Description of valuation techniques used and key inputs to valuation on investment properties:

Property	Method of Valuation	Significant unobservable inputs	Correlation to fair value	Net gain from fair value remeasurement	
		Estimated price per perch		2026 Rs. '000	2025 Rs. '000
Land of;					
Ahungalla Holiday Resorts (Pvt) Ltd	Comparable market approach	Rs. 315.000 - Rs. 500,000	Positive	**17,300**	11,900
Resort Hotels Ltd	Comparable market approach	Rs. 145.000 - Rs. 325,000	Positive	**73,000**	37,672
Trinco Walk Inn Ltd	Comparable market approach	Rs. 275,000 - Rs. 600,000	Positive	**280,925**	21,775
Wirawila Walk Inn Ltd	Comparable market approach	Rs. 28,125	Positive	**3,800**	3,250
For the year ended 31 March				**375,025**	74,597

Summary description of valuation methodologies can be found in property plant and equipment Note 21.2.1

24 INTANGIBLE ASSETS AND GOODWILL

Accounting policy

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to income statement in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end and treated as accounting estimates. The amortisation is calculated by using straight-line method on the cost of all the intangible assets and the amortisation expense on intangible assets with finite lives is recognised in the income statement.

The estimated useful life of assets is as follows:

Assets	Years
Software	up to 10

Intangible assets with indefinite useful lives, such as Goodwill, are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Software – Work-in-Progress

Intangible assets under work in progress represent costs incurred for the implementation of the OPERA Cloud Property Management System (PMS). As at the reporting date, the total cost has been capitalised under work-in-progress, as certain directly attributable components remain subject to final measurement, permitting deferred recognition until all cost elements are reliably measurable.

Upon reliable measurement of the full cost, the company has initially recognised the costs incurred for the acquisition and implementation of the PMS as an intangible asset under Purchased Software in the Statement of Financial Position during the year. These costs, which are separately identifiable from hardware, are carried at costs less accumulated amortisation and any accumulated impairment losses, with a useful life of 10 years, as they are expected to generate future economic benefits. No impairment has been recognised for the year

24. INTANGIBLE ASSETS AND GOODWILL (Contd.)

As at 31 March In Rs. '000	Group				
	Software Purchased	Software Work-in-progress	Goodwill	Total 2026	Total 2025
Cost/carrying value					
At the beginning of the year	151,378	982	670,407	**822,767**	670,407
Additions	30,466	-	-	**30,466**	87,984
Acquisition of subsidiary	-	-	22,835	**22,835**	-
Disposal of subsidiary	(12,040)	-	(120,295)	**(132,335)**	-
Transfers	982	(982)	-	**-**	65,007
Exchange differences	4,603	-	-	**4,603**	(631)
At the end of the year	175,389	-	572,947	**748,336**	822,767
Accumulated amortisation and impairment					
At the beginning of the year	20,882	-	-	**20,882**	-
Charge for the year	20,309	-	-	**20,309**	11,611
Disposal of subsidiary	(1,505)	-	-	**(1,505)**	-
Transfers	-	-	-	**-**	9,443
Exchange differences	1,131	-	-	**1,131**	(172)
At the end of the year	40,817	-	-	**40,817**	20,882
Carrying value					
As at 31 March 2026	134,572	-	572,947	**707,519**	
As at 31 March 2025	130,496	982	670,407		801,885

As at 31 March In Rs. '000	Net Carrying Value of Goodwill	
	2026	2025
Cinnamon resorts	**572,947**	670,407
	572,947	670,407

Accounting judgements, estimates and assumptions

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross Margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year, adjusted for projected market conditions.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation is the inflation rate based on projected economic conditions.

Discount Rate

The discount rate used is the risk free pre-tax discount rate, adjusted by the addition of an appropriate risk premium.

Volume Growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to four years immediately subsequent to the budgeted year based on industry growth rates.

Cash flows beyond the five-year period have been extrapolated using a zero growth rate.

25 INVESTMENTS IN SUBSIDIARIES

Accounting policy

Investment in subsidiaries is initially recognised at cost in the Company's financial statements. Any transaction cost relating to the acquisition of investments in subsidiaries is immediately recognised in the income statement. Following initial recognition, Investment in subsidiaries is carried at cost less any accumulated impairment losses.

25.1 Carrying value

As at 31 March		Company	
In Rs. '000	Note	2026	2025
Investments in subsidiaries - Unquoted	25.2	11,961,007	12,367,391
		11,961,007	12,367,391

25. INVESTMENT IN SUBSIDIARIES (Contd.)

25.2 Investments in subsidiaries - Unquoted

As at 31 March	Group		Company			
	Effective Holding		Effective Holding		Cost (Rs. '000)	
	2026	2025	2026	2025	2026	2025
Ceylon Holiday Resorts Ltd	99.39%	99.39%	99.39%	99.39%	3,152,247	3,152,247
Yala Village (Pvt) Ltd	93.78%	93.78%	93.78%	93.78%	300,678	300,678
Kandy Walk Inn Ltd*	-	98.39%	-	98.39%	-	408,998
Habarana Lodge Ltd	98.35%	98.35%	98.35%	98.35%	695,083	695,083
Habarana Walk Inn Ltd	98.77%	98.77%	98.77%	98.77%	311,851	311,851
Trinco Holiday Resorts (Pvt) Ltd	100.00%	100.00%	100.00%	100.00%	357,000	357,000
Cinnamon Holidays (Pvt) Ltd	100.00%	100.00%	100.00%	100.00%	200	200
Trinco Walk Inn Ltd	100.00%	100.00%	100.00%	100.00%	95,940	95,940
Wirawila Walk Inn Ltd	100.00%	100.00%	100.00%	100.00%	32,998	32,225
Rajawella Hotels Company Ltd	100.00%	100.00%	100.00%	100.00%	39,588	38,808
Ahungalla Holiday Resorts (Pvt) Ltd	100.00%	100.00%	100.00%	100.00%	139,931	138,870
Nuwara Eliya Holiday Resorts (Pvt) Ltd	100.00%	100.00%	100.00%	100.00%	1,237	1,237
International Tourists and Hoteliers Ltd	99.33%	99.33%	99.33%	99.33%	2,094,401	2,094,401
John Keells Maldivian Resorts (Pvt) Ltd	100.00%	100.00%	100.00%	100.00%	4,739,853	4,739,853
Hikkaduwa Holiday Resorts (Pvt) Ltd	99.39%	99.39%	-	-	-	-
Resort Hotels Ltd	99.46%	99.46%	-	-	-	-
Beruwala Holiday Resorts (Pvt) Ltd	99.33%	99.33%	-	-	-	-
Yala Adventure Park (Pvt) Ltd	87.11%	-	-	-	-	-
Travel Club (Pvt) Ltd	100.00%	100.00%	-	-	-	-
Fantasea World Investments (Pvt) Ltd	100.00%	100.00%	-	-	-	-
Tranquility (Pvt) Ltd	100.00%	100.00%	-	-	-	-
Total investments in subsidiaries					11,961,007	12,367,391

* Subsidiary disposed on 31 March 2026

The following are the details of principal activities and country of incorporation of subsidiaries.

Name of subsidiary	Principal activity	Country of incorporation
Ceylon Holiday Resorts Ltd	Owner of Cinnamon Bentota Beach	Sri Lanka
Yala Village (Pvt) Ltd	Owner of Cinnamon Wild Yala	Sri Lanka
Kandy Walk Inn Ltd	Owner of Cinnamon Citadel Kandy	Sri Lanka
Habarana Lodge Ltd	Owner of Cinnamon Lodge Habarana	Sri Lanka
Habarana Walk Inn Ltd	Owner of Habarana Village by Cinnamon	Sri Lanka
Trinco Holiday Resorts (Pvt) Ltd	Owner of Trinco Blu by Cinnamon	Sri Lanka
Cinnamon Holidays (Pvt) Ltd	Service provider of Inbound and outbound tours	Sri Lanka
Trinco Walk Inn Ltd	Owner of real estate	Sri Lanka
Wirawila Walk Inn Ltd	Owner of real estate	Sri Lanka
Rajawella Hotels Company Ltd		Sri Lanka
Ahungalla Holiday Resorts (Pvt) Ltd	Owner of real estate	Sri Lanka

Name of subsidiary	Principal activity	Country of incorporation
Nuwara Eliya Holiday Resorts (Pvt) Ltd		Sri Lanka
International Tourists and Hoteliers Ltd	Parent of Beruwala Holiday Resorts (Pvt) Ltd	Sri Lanka
John Keells Maldivian Resorts (Pvt) Ltd	Hotel holding company in the Maldives	Republic of Maldives
Hikkaduwa Holiday Resorts (Pvt) Ltd	Owner of Hikka Tranz by Cinnamon	Sri Lanka
Resort Hotels Ltd	Owner of real estate	Sri Lanka
Beruwala Holiday Resorts (Pvt) Ltd	Owner of Cinnamon Bey Beruwala	Sri Lanka
Yala Adventure Park (Pvt) Ltd	Owner of real estate	Sri Lanka
Travel Club (Pvt) Ltd	Owner of Ellaidhoo Maldives by Cinnamon	Republic of Maldives
Fantasea World Investments (Pvt) Ltd	Owner of Cinnamon Hakuraa Huraa Maldives	Republic of Maldives
Tranquility (Pvt) Ltd	Owner of Cinnamon Dhonveli Maldives and Cinnamon Velifushi Maldives	Republic of Maldives

25.3 Acquisition of subsidiary

Acquisition of Yala Adventure Park (Pvt) Ltd

On 2 February 2026, Yala Village (Pvt) Ltd, a subsidiary of John Keells Hotels PLC, acquired an equity interest of 92.89% comprising 4,036,450 ordinary shares in Yala Adventure Park (Pvt) Ltd for a total consideration of Rs. 85 Mn.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Yala Adventure Park (Pvt) Ltd as at the date of acquisition were:

In Rs. '000	Note	Fair value recognised on acquisition
Assets		
Deferred tax assets		95
Right-of-use assets		88,100
Liabilities		
Other current liabilities		(380)
Lease liabilities		(16,450)
Total net assets acquired		71,365
Non-controlling interest		(9,200)
Goodwill		22,835
Total consideration		85,000
of which:		
Cash consideration		45,000
Deferred consideration	39	40,000

25.4 Disposals of subsidiary

Disposal of Kandy Walk Inn Ltd

On 31 March 2026 John Keells Hotels PLC disposed 98.39% of its equity interest comprising of 6,165,484 ordinary shares in Kandy Walk Inn Limited for a total consideration of Rs. 2,777 Mn. The Group recorded a gain of Rs. 1,139 Mn, at a consolidated level. The Company recognised a gain of Rs. 2,344 Mn at the Company level.

Assets disposed of and liabilities derecognised - Group

The carrying amounts of the identifiable assets and liabilities of Kandy Walk Inn Ltd as at the date of disposal were:

In Rs. '000	Fair value recognised on disposal
Assets	
Cash in hand and at bank	20,979
Other current assets	16,332
Short-term investments	17,348
Amounts due from related parties	19,436
Trade and other receivables	59,938
Inventories	37,361
Intangible assets	10,535
Right-of-use assets	7,913
Property, plant and equipment	2,269,949
Goodwill allocated to the subsidiary disposed	120,295
Liabilities	
Bank overdrafts	(250,649)
Other current liabilities	(18,027)
Amounts due to related parties	(20,767)
Trade and other payables	(80,386)
Employee benefit liabilities	(49,644)
Deferred tax liabilities	(506,680)
Lease liabilities	(6,160)
Total net assets disposed	1,647,771
Non-controlling interests derecognised	(33,916)
	1,613,855
Consideration for disposal	
Cash consideration (Realised)	694,256
Cash consideration (Unrealised)*	2,082,769
Less: Disposal related costs	(23,960)
Total net consideration	2,753,065
Gain on disposal of subsidiary	1,139,210

*Realised on 2 April 2026

There were no other disposal of subsidiaries made in 2025.

In Rs. '000	Cash flow on disposal
Net cash and cash equivalents disposed	212,323
Cash consideration (Realised)	694,256
Net cash flow on disposal	906,579

Investment in subsidiary derecognised

In Rs. '000	Company
Cash consideration (Realised)	694,256
Cash consideration (Unrealised)*	2,082,769
Less: Disposal related costs	(23,960)
Total net consideration	2,753,065
Carrying value of investment in subsidiary	(408,998)
Gain on disposal of investment in subsidiary	2,344,067

25.5 Material partly-owned subsidiaries

The Group has concluded that non-controlling interest is not material in aggregate and individually for disclosure purpose.

26. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Accounting policy

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint ventures entered into by the Group, which have been accounted for using the equity method of accounting is:

Name	Country of incorporation
Sentinel Realty (Pvt) Ltd	Sri Lanka

The Group has a 50% (2025 - 50%) interest in Sentinel Realty (Pvt) Ltd, which owns investment properties. Sentinel Realty (Pvt) Ltd is a private entity which is not listed on any public exchange. The Group's interest in Sentinel Realty (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Associate company incorporated in Sri Lanka of the Group which has been accounted for under the equity method of accounting is:

Name	Country of incorporation
Indra Hotels & Resorts Kandy (Pvt) Ltd	Sri Lanka

The Group has a 40% (2025 - 40%) interest in Indra Hotels & Resorts Kandy (Pvt) Ltd, which owns the Kandy Myst by Cinnamon hotel. Indra Hotels & Resorts Kandy (Pvt) Ltd is a private entity which is not listed on any public exchange. The Group's interest in Indra Hotels & Resorts Kandy (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

*Realised on 2 April 2026

26. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (Contd.)

The Group's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The share of profit or loss of an associate or a joint venture is shown on the face of income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of result of equity-accounted investees' in the income statement.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

The accounting policies of associate companies and joint ventures conform to those used for similar transactions of the Group. The equity method of accounting has been applied to associates and joint ventures, using their corresponding 12-month financial periods. The financial statements of associates and joint ventures in the Group are prepared for a common financial year, which is 12 months ending 31 March. The nature of the entity's relationship, principal place of business, and country of incorporation are disclosed in the group directory.

26.1 Carrying value

As at 31 March	Number of shares	Effective Holding	Group		Company	
			2026 In Rs. '000	2025 In Rs. '000	2026 In Rs. '000	2025 In Rs. '000
Investments in joint venture - Unquoted						
Sentinel Realty (Pvt) Ltd	7,339,141	50%	**75,318**	73,833	**75,318**	73,833
Investments in associate - Unquoted						
Indra Hotels & Resorts Kandy (Pvt) Ltd	177,456,020	40%	**1,774,560**	1,774,560	**1,774,560**	1,774,560
Cumulative profit accruing to the Group net of dividend			**(251,770)**	(26,694)	-	-
Share of net assets of equity-accounted investees			**944**	-	-	-
			1,599,052	1,821,699	**1,849,878**	1,848,393

26.2 Summarised financial information of equity-accounted investees

For the year ended 31 March	Sentinel Realty (Pvt) Ltd		Indra Hotels & Resorts Kandy (Pvt) Ltd		Total	
In Rs. '000	2026	2025	2026	2025	2026	2025
Revenue from contracts with customers	-	-	1,202,232	104,296	1,202,232	104,296
Operating (expenses)/income	(3,121)	(2,456)	(1,347,346)	(195,140)	(1,350,467)	(197,596)
Net finance income	-	-	(656,177)	(79,013)	(656,177)	(79,013)
Gain from fair value remeasurement of investment properties	5,700	6,500	-	-	5,700	6,500
Profit/(loss) before tax	2,579	4,044	(801,291)	(169,857)	(798,712)	(165,813)
Tax reversal/(expense)	(1,712)	(1,955)	237,519	52,476	235,807	50,521
Profit/(loss) before tax	867	2,089	(563,772)	(117,381)	(562,905)	(115,292)
Other comprehensive income	-	-	2,360	-	2,360	-
Total comprehensive income	867	2,089	(561,412)	(117,381)	(560,545)	(115,292)
Share of results of equity accounted investees (net of tax)	434	1,045	(225,509)	(46,952)	(225,075)	(45,907)
Share of other comprehensive income of equity accounted investees (net of tax)	-	-	944	-	944	-

The share of results of equity-accounted investees in the income statement and other comprehensive statement are shown net of all related taxes.

As at 31 March	Sentinel Realty (Pvt) Ltd		Indra Hotels & Resorts Kandy (Pvt) Ltd		Total	
In Rs. '000	2026	2025	2026	2025	2026	2025
Non current assets	192,240	186,551	11,566,936	11,544,536	11,759,176	11,731,087
Current assets	149	269	216,391	234,330	216,540	234,599
Total assets	192,389	186,820	11,783,327	11,778,866	11,975,716	11,965,686
Non current liabilities	(12,574)	(10,863)	(6,687,711)	(7,006,115)	(6,700,285)	(7,016,978)
Current liabilities	(240)	(217)	(1,322,454)	(438,179)	(1,322,694)	(438,396)
Total liabilities	(12,814)	(11,080)	(8,010,165)	(7,444,294)	(8,022,979)	(7,455,374)
Net assets	179,575	175,740	3,773,162	4,334,572	3,952,737	4,510,312
Group's share in net assets	89,788	87,870	1,509,265	1,733,829	1,599,052	1,821,699
Goodwill	-	-	-	-	-	-
Group's carrying amount of the investment	89,788	87,870	1,509,265	1,733,829	1,599,052	1,821,699
Cash Flows						
Operating activities	(1,554)	(2,710)	(443,648)	287,566	(445,202)	284,856
Investing activities	-	-	(152,498)	(1,584,589)	(152,498)	(1,584,589)
Financing activities	1,485	1,431	75,332	1,244,901	76,817	1,246,332

The Group and the Company have neither contingent liabilities nor capital and other commitments in respect of its joint ventures and associates.

27. NON CURRENT FINANCIAL ASSETS

As at 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Quoted Investments					
Ceylon Hotels Corporation PLC		19	12	19	12
Unquoted Investments					
Rainforest Ecolodge (Pvt) Ltd		8,871	8,871	-	-
Rajawella Holdings Ltd		161,357	161,357	-	-
Loans to executives	27.1.2	4,887	-	-	-
Security deposit on leases	27.2	373,315	218,546	-	-
Total		548,449	388,786	19	12

The fair values of the quoted investments are based on the market price at the reporting date. The fair values of the non-listed equity investments have been estimated using a discounted cash flow method (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

27.1 Loans to executives

As at 31 March		Group	
In Rs. '000		2026	2025
At the beginning of the year		-	3,232
Loans granted/transfers		6,127	-
Recoveries		(525)	(3,232)
At the end of the year		5,602	-
27.1.1 Receivable within one year		715	-
27.1.2 Receivable between one and five years		4,887	-
		5,602	-

27.2 Security deposit on leases

As at 31 March	Group	
In Rs. '000	2026	2025
At the beginning of the year	218,546	-
Deposit made during the year	115,426	208,156
Interest income	19,771	8,506
Exchange differences	19,572	1,884
At the end of the year	373,315	218,546

The security deposit represents an amount paid by the Group to the lessor under the island lease of Tranquility (Pvt) Ltd. In line with SLFRS 9, it is recognised as a financial asset, initially measured at fair value and subsequently at amortised cost, with interest income recognised using the effective interest method.

28. INVENTORIES

Accounting policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

Food and Beverage	- On a weighted average basis
Housekeeping and Maintenance	- On a weighted average basis
Other inventories	- At actual cost

As at 31 March	Group	
In Rs. '000	2026	2025
Food and beverage	328,096	277,326
Housekeeping and maintenance	218,767	197,504
Others	199,281	93,434
	746,144	568,264
Less : Provision for slow-moving inventories	(4,397)	(3,179)
Total	741,747	565,085

There were no inventories pledged as security for borrowings as at 31 March 2026 (as at 31 March 2025- Nil).

29. TRADE AND OTHER RECEIVABLES

Receivables represent the Group's right to an amount of consideration that is unconditional. Trade receivables and contract assets are non-interest bearing and are generally on terms of 30 to 90 days.

The Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As at 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Trade receivables		2,552,448	3,424,958	-	-
Contract assets		208,620	350,470	-	-
Less : Provision for expected credit losses	29.1	(538,213)	(506,974)	-	-
		2,222,855	3,268,454	-	-
Other receivables		2,289,623	238,585	2,082,769	-
Loans to executives	27.1.1	715	-	-	-
Total		4,513,193	3,507,039	2,082,769	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Refer to Note 11.1.3 for age analysis of trade and other receivables.

Other Receivables includes cash consideration receivable of Rs. 2,083 Mn in relation to the Disposal of Kandy Walk Inn Ltd and was fully realised subsequent to the reporting period on the 2 April 2026.

29. TRADE AND OTHER RECEIVABLES (Contd.)

29.1 Movement of allowance for expected credit losses

	Group	
In Rs. '000s	2026	2025
At the beginning of the year	506,974	144,434
Charge for the year	1,200	366,336
Exchange differences	30,039	(3,796)
As at the end of the year	538,213	506,974

30. OTHER CURRENT ASSETS

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Prepayments and non-cash receivables	317,524	291,975	400	275
Tax recoverable	375,540	291,280	10,757	9,004
Total	693,064	583,255	11,157	9,279

31. SHORT-TERM INVESTMENTS

Accounting policy

Short-term investments are liquid assets or cash, which are being held for a short period of time, with the primary purpose of controlling the tactical asset allocation.

Cash and cash equivalents in the statement of cash flows comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the cashflow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Bank deposits (Less than 3 months) reported for cash flow	48,046	120,658	-	-
Total short-term investments	48,046	120,658	-	-
Reported in statement of cash flows	48,046	120,658	-	-

32. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

Accounting policy

The ordinary shares of John Keells Hotels PLC are quoted on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are eligible for one vote per share at the Company's General Meetings.

The Group has an Employee Share Option Plan in place. Refer to Note 33 for further details.

32.1 Stated capital

As at 31 March	2026		2025	
	Number of shares '000	Value of shares Rs. '000	Number of shares '000	Value of shares Rs. '000
Fully paid ordinary shares				
At the beginning of the year	**1,456,147**	**9,500,247**	1,456,147	9,500,247
At the end of the year	**1,456,147**	**9,500,247**	1,456,147	9,500,247

32.2 Other components of equity

As at 31 March		Group		Company	
In Rs. '000s	Note	2026	2025	2026	2025
Revaluation reserve	32.2.1	**8,256,650**	8,820,190	**-**	-
Foreign currency translation reserve	32.2.2	**12,853,252**	11,762,629	**-**	-
Fair value reserve of financial assets at FVOCI	32.2.3	**(9,353)**	(9,360)	**6**	(1)
Employee share option plan reserve	32.2.4	**70,406**	63,096	**-**	-
		21,170,955	20,636,555	**6**	(1)

32.2.1 Revaluation reserve consists of the net surplus on the revaluation of property, plant and equipment.

32.2.2 Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operation into Sri Lankan Rupees.

32.2.3 Fair value reserve of financial assets at FVOCI includes changes of fair value of equity instruments.

32.2.4 Employee share option plan reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

33. SHARE BASED PAYMENT PLANS

Accounting policy

Employee share option plan

Employees of the company and its subsidiaries are eligible to participate in employee share option schemes of John Keells Holdings PLC (Ultimate parent). Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transaction).

The Group applies SLFRS 2 Share-based Payments in accounting for employee remuneration in the form of shares from financial year 2013/14 onwards.

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

33. SHARE-BASED PAYMENT PLANS (Contd.)

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Employee Share Option Scheme

Under the John Keells Group's Employees Share Option Scheme (ESOP), share options of the parent are granted to senior executives of the company and the subsidiary with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of "Met Expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives.

The expense recognised for employee services received during the year is shown in the following table:

For the year ended 31 March	Group	
In Rs. '000	2026	2025
Share-based payments expense during the year	7,344	1,560
Total	7,344	1,560

Movements during the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

As at 31 March	Group			
	2026		2025	
	No.	WAEP (Rs.)	No.	WAEP (Rs.)
Outstanding at 1 April	1,067,231	17.64	128,428	137.86
Granted during the year	608,750	21.56	59,000	20.03
Adjusted - sub division	152,359	13.76	879,803	-
Transfer in	-	-	-	-
Forfeited during the year	-	-	-	-
Adjustment during the year	(89,928)	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	1,738,412	18.58	1,067,231	17.64
Exercisable at 31 March	551,551	15.43	192,955	13.76

Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility, and dividend yield, and making assumptions about them.

The John Keells Holdings Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the John Keells Hotels Group. The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The following information were used and results were generated using binomial model for ESOP.

As at 31 March	2026	2025	2024	2024	2023	2022
	Plan No 12 Award 1	Plan No 11 Award 3	Plan No 11 Award 2.1	Plan No 11 Award 2	Plan No 11 Award 1	Plan No 10 Award
Dividend yield (%)	1.00	1.46	2.07	2.54	2.90	3.28
Expected volatility (%)	22.71	24.54	25.05	24.99	24.15	22.37
Risk free interest rate (%)	9.56	12.76	14.49	26.92	23.10	8.87
Expected life of share options (Years)	5.00	5	5	5	5	5
Weighted average share price at the grant date (Rs.)	22.93	194.00	158.36	137.83	119.85	132.63
Weighted average remaining contractual life for the share options outstanding (Years)	3.00	3	3	3	3	3
Weighted average fair value of options granted during the year (Rs.)	7.64	64.67	52.79	45.94	39.95	44.21
Exercise price for options outstanding at the end of the year (Rs.)	21.8	20.03	14.53	13.76	12.17	13.64

34. INTEREST BEARING BORROWINGS

34.1 Bank Borrowings

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Balance at the beginning of the year	8,001,401	12,442,700	1,350,487	1,171,630
Cash Movement				
Loans obtained during the year	4,050,906	500,000	-	500,000
Repayments during the year	(5,570,526)	(4,417,018)	(392,000)	(314,000)
Non Cash Movement				
Accrued interest	7,602	(2,835)	(5,789)	(7,143)
Exchange differences	189,729	(521,446)	-	-
Balance at the end of the year	6,679,112	8,001,401	952,698	1,350,487
Analysed by repayment period				
Repayable within one year	1,536,168	3,949,685	411,866	417,886
Repayable after one year	5,142,944	4,051,716	540,832	932,601
	6,679,112	8,001,401	952,698	1,350,487

34. INTEREST BEARING BORROWINGS (Contd.)

34.2 Security and repayment terms of borrowings

As at 31 March In Rs. '000	Nominal interest rate	Repayment terms	Assets pledged and collaterals	Group 2026	Group 2025
Ceylon Holiday Resorts Ltd	Fixed	48 monthly instalments after a grace period of 12 months commencing from Jan 2023	Letter of Comfort from John Keells Holdings PLC	**163,405**	344,340
	AWPLR to be reviewed monthly	36 monthly instalments from October 2025	Letter of Comfort from John Keells Holdings PLC	**552,222**	-
	Fixed for the first 5 years and 1 month AWPLR plus margin for the next 5 years	102 monthly instalments after a grace period of 18 months, commencing from August 2022	Corporate Guarantee from John Keells Hotels PLC	**1,980,000**	2,323,430
Habarana Lodge Ltd	AWPLR to be reviewed monthly	36 monthly instalments commencing from October 2025.	-	**209,056**	-
Habarana Walk Inn Ltd	AWPLR to be reviewed monthly	36 monthly instalments commencing from October 2025.	-	**189,333**	-
Hikkaduwa Holiday Resorts (Pvt) Ltd	Fixed	72 monthly instalments after a grace period of 12 months and moratorium period, commencing from July 2022	Corporate Guarantee from John Keells Hotels PLC	**235,723**	350,200
John Keells Hotels PLC	Fixed for the first 3 years and 1-month AWPLR plus margin for the next 4 years	10 bi-annual instalments after a grace period of 24 months commencing from June 2023	Letter of Comfort from John Keells Holdings PLC	**478,038**	718,430
	AWPLR to be reviewed monthly	Repayable in 08 bi-annual instalments commencing after 06 months of grace period.	-	**474,660**	632,057
Tranquility (Pvt) Ltd	3-month SOFR-based plus margin	6 quarterly instalments commencing from May 2027 after 12 months grace period	Leasehold right on the Island of Kanuoiy Huraa in Kaafu (Male')	**951,187**	1,333,462
Fantasea World Investments (Pvt) Ltd	3-month SOFR-based plus margin	8 quarterly instalments commencing from May 2027 after 12 months grace period	Leasehold rights of the Island of Hakuraa Huraa.	**1,445,488**	2,299,482
				6,679,112	8,001,401

35. EMPLOYEE BENEFIT LIABILITIES

Accounting policy

Employee contribution plans - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee defined benefit plan - gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in the other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

As at 31 March		Group	
In Rs. '000s	Note	2026	2025
Employee defined benefit plan - gratuity	35.1	362,437	286,031
Other long-term employee benefits	35.2	12,979	10,469
Balance at the end of the year		375,416	296,500

35.1 Employee defined benefit plan - gratuity

As at 31 March	Group	
In Rs. '000s	2026	2025
Balance at the beginning of the year	286,031	329,867
Current service cost	32,178	24,383
Interest cost on benefit obligation	29,808	44,320
Payments	(29,544)	(36,451)
Transfers	(9,281)	2,707
Disposal of subsidiary	(48,266)	-
Gain/(loss) arising from changes in assumptions	101,511	(78,795)
Balance at the end of the year	362,437	286,031
The expenses are recognised in the following line items in the income statement		
Cost of sales	31,290	33,857
Administrative expenses	30,232	34,381
Selling and distribution expenses	464	465
	61,986	68,703

The employee benefits liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The employee benefit liability of the Group is based on the actuarial valuations carried out by Smiles Global (Pvt) Ltd., actuaries.

35. EMPLOYEE BENEFIT LIABILITIES (Contd.)

The principal assumptions used in determining the cost of employee benefits were:

	2026	2025
Discount rate	9%-10%	9%-12%
Future salary increases	6%	6%

35.1.1 Sensitivity of assumptions used

A percentage change in the assumptions would have the following effects to employee defined benefit plan - gratuity.

As at 31 March	Group			
	Discount rate		Salary increment	
In Rs. '000s	2026	2025	2026	2025
Effect on the defined benefit obligation liabilities				
1% Increase	(5,816)	(11,371)	6,659	13,470
1% Decrease	7,410	12,443	(6,279)	(12,481)

35.1.2 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years.

As at 31 March	Group	
In Rs. '000s	2026	2025
Within the next 12 months	14,869	6,701
Between 1 and 2 years	18,825	10,041
Between 2 and 5 years	285,344	192,431
Between 5 and 10 years	43,294	42,635
Beyond 10 years	105	34,223
Total expected payments	362,437	286,031

The Group weighted average duration of the defined benefit plan obligation is 5.24 (2025 - 7.23) years.

35.2 Other long-term employee benefits

As at 31 March	Group	
In Rs. '000s	2026	2025
Balance at the beginning of the year	10,469	9,267
Current service cost	7,428	6,134
Payments	(3,538)	(4,932)
Disposal of subsidiary	(1,380)	-
Balance at the end of the year	12,979	10,469

36. OTHER NON CURRENT LIABILITIES

As at 31 March	Group	
In Rs. '000s	2026	2025
Balance at the beginning of the year	100,442	123,226
Cash movement		
Additions	42,570	38,985
Non-cash movement		
Exchange differences	5,771	1,096
Amortised during the year	(64,354)	(62,865)
Balance at the end of the year	84,429	100,442

This balance represents non-refundable deposits received from Mandara Spa Maldives (Pvt) Ltd for a period of 12 months and from Liveaboard Maldives (Pvt) Ltd for a period of 120 months. These deposits were allocated to facilitate the infrastructure and requirements necessary to accommodate equipment for the operation of a dive base and a water sports centre at Tranquility (Pvt) Ltd.

37. TRADE AND OTHER PAYABLES

Accounting policy

Trade payables are the aggregate amount of obligations to pay for goods or services that have been acquired in the ordinary course of business.

Trade payables are classified as current liabilities if payment is due within one year.

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Trade payables	1,155,570	1,179,728	-	-
Other payables	628,451	632,768	27,882	7,095
Accrued expenses	551,916	568,303	7,395	6,171
	2,335,937	2,380,799	35,277	13,266

Trade and other payables are normally non-interest-bearing and settled within one year. For further explanation on the Group's liquidity risk management process, refer to Note 11.2.

38. SHORT TERM BORROWINGS

Accounting policy

Short-term borrowings are the interest-bearing borrowings of the Group which fall due within 12 months from the end of the financial year. These are obtained for working capital requirements.

38.1 Bank Borrowings

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Balance at the beginning of the year	1,900,000	550,000	-	-
Cash Movement				
Loans obtained during the year	50,000	1,450,000	-	-
Repayments during the year	(1,380,000)	(100,000)	-	-
Balance at the end of the year	570,000	1,900,000	-	-

38.2 Security and repayment terms of borrowings

As at 31 March In Rs. '000	Nominal interest rate	Repayment terms	Assets pledged and collaterals	Group 2026	Group 2025
Ceylon Holiday Resorts Ltd	1-month AWPLR	Each loan to be repaid within a maximum period of 90 days from the date of grant	Corporate Guarantee from John Keells Hotels PLC.	-	600,000
Habarana Walk Inn Ltd	To be decided at the time of drawdown	Bullet payment within a maximum duration of 180 days	-	250,000	250,000
Beruwala Holiday Resorts (Pvt) Ltd	1-month AWPLR	Each loan to be repaid within a maximum period of 90 days from the date of grant	Corporate Guarantee from John Keells Hotels PLC.	-	300,000
Kandy Walk Inn Ltd	1-month AWPLR	Each loan to be repaid within a maximum period of 90 days from the date of grant	Corporate Guarantee from John Keells Hotels PLC.	-	50,000
Habarana Lodge Ltd	1-month AWPLR	Each loan to be repaid within a maximum period of 90 days from the date of grant	Corporate Guarantee from John Keells Hotels PLC.	-	300,000
	To be decided at the time of drawdown	Bullet payment within a maximum duration of 180 days	-	250,000	250,000
Trinco Holiday Resorts (Pvt) Ltd	To be decided at the time of drawdown	Bullet payment within a maximum duration of 180 days	-	70,000	150,000
				570,000	1,900,000

38.3 Bank overdrafts

Set out below is the disaggregation of the Group's bank overdrafts:

As at 31 March	Group			
	Sri Lanka		Maldives	
In Rs. '000s	2026	2025	2026	2025
National Development Bank PLC	1,025,223	1,014,073	669,298	585,752
Citi Bank N.A.	188,712	338,381	-	-
Hatton National Bank PLC	399,926	811,420	-	-
DFCC Bank PLC	-	-	1,570,835	1,358,343
Commercial Bank PLC	6	-	807,988	447,302
Sampath Bank PLC	107,723	122,257	3,359,136	2,952,753
Deutsche Bank AG	-	-	4,886	839,887
Hong Kong and Shanghai Banking Corporation	-	29,529	2,414,082	2,756,817
Others	325	-	39,214	5,171
	1,721,915	2,315,660	8,865,439	8,946,025

39. OTHER CURRENT LIABILITIES

Accounting policy

The group classifies all current non-financial liabilities under other current liabilities.

These include non-refundable deposits, advances and other tax payables.

As at 31 March	Group	
In Rs. '000s	2026	2025
Contract liabilities	1,101,435	1,137,107
Non-refundable deposits	117,251	75,318
Other tax payables	734,101	796,708
Deferred consideration payable	40,000	-
	1,992,787	2,009,133

40. RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business at arm's length prices with the following related entities. Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transactions Review Committee" and Group directory. The list of Directors at each of the subsidiary and joint venture companies has been disclosed in the Group directory under the Supplementary Information section of the Annual Report.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding current account balances at the year end are unsecured, interest free and settlements occur in cash. Loans are given at pre-agreed terms and interest rates.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets which ever is lower of the Company as per 31 March 2026 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

40. RELATED PARTY TRANSACTIONS (Contd.)

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2026 audited financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

40.1 Amounts due from related parties

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Ultimate parent				
John Keells Holdings PLC	141	496	-	-
	141	496	-	-
Companies under common control				
Ahungalla Holiday Resorts (Pvt) Ltd	-	-	82	-
Asian Hotels & Properties PLC	622	1,243	-	-
Ceylon Holiday Resorts Ltd	-	-	3,289	2,785
Cinnamon Hotel Management International (Pvt) Ltd	-	3,003	-	-
Cinnamon Hotel Management Ltd	6,672	18,136	-	-
Hikkaduwa Holiday Resorts (Pvt) Ltd	-	-	105	153
Jaykay Marketing Services (Pvt) Ltd	-	115	-	-
John Keells Foundation	1,663	12	-	-
John Keells Maldivian Resorts (Pvt) Ltd	-	-	3,819	3,620
John Keells Office Automation (Pvt) Ltd	-	181	-	-
Logipark International (Pvt) Ltd	-	153	-	-
Mackinnon Mackenzie & Company of Ceylon Ltd	165		-	
Nuwara Eliya Holiday Resorts (Pvt) Ltd	-	-	100	68
Resort Hotels Ltd	-	-	146	4
Rajawella Hotels Company Ltd	-	-	87	-
Sancity Hotels & Properties Ltd	81	73	30	-
Trans Asia Hotels PLC	902	284	-	-
Travel Club (Pvt) Ltd	-	-	2,387	2,262
Trinco Walk Inn Ltd	-	-	856	60
Union Assurance PLC	1,359	-	-	
Walkers Tours Ltd	154,988	221,478	-	-
Waterfront Properties (Pvt) Ltd	3,560	38	-	-
Wirawila Walk Inn Ltd	-	-	206	-
Whittall Boustead (Pvt) Ltd	-	168	-	-
Whittall Boustead (Travels) Ltd	6,830	16,586	-	-
	176,842	261,470	11,107	8,952
Equity accounted investees				
Sentinel Realty (Pvt) Ltd	69	33	57	24
Indra Hotels & Resorts Kandy (Pvt) Ltd	77	754	-	30
	146	787	57	54
	177,129	262,753	11,164	9,006

40.2 Amounts due to related parties

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Ultimate parent				
John Keells Holdings PLC	**25,537**	22,335	**1,068**	688
	25,537	22,335	**1,068**	688
Companies under common control				
Ahungalla Holiday Resorts (Pvt) Ltd	**-**	-	**234**	345
Asian Hotels & Properties PLC	**474**	100	**-**	-
Ceylon Cold Stores PLC	**134**	-	**-**	-
Cinnamon Hotel Management International (Pvt) Ltd	**428,911**	383,453	**-**	-
Cinnamon Hotel Management Ltd	**247,177**	237,222	**277**	298
Fairfirst Insurance Ltd	**15**	67	**-**	-
InfoMate (Pvt) Ltd	**9,125**	10,024	**293**	275
Jaykay Marketing Services (Pvt) Ltd	**1,258**	13,344	**-**	-
John Keells Foundation	**4,750**	2,738	**-**	-
John Keells Information Technology (Pvt) Ltd	**-**	303	**-**	-
John Keells International (Pvt) Ltd	**937**	1,120	**-**	-
John Keells Office Automation (Pvt) Ltd	**757**	1,843	**-**	-
Keells Consultants (Pvt) Ltd	**823**	749	**381**	269
Keells Food Products PLC	**2,038**	1,231	**-**	-
Mackinnons Travel (Pvt) Ltd	**825**	120	**-**	-
Rajawella Hotels Company Ltd	**-**	-	**216**	271
Resort Hotels Ltd	**-**	-	**146**	-
Sancity Hotels & Properties Ltd	**363**	125	**-**	-
Trans Asia Hotels PLC	**1,574**	62	**-**	-
Trinco Holiday Resorts (Pvt) Ltd	**-**	-	**106**	14
Walkers Tours Ltd	**1,545**	329	**-**	-
Waterfront Properties (Pvt) Ltd	**-**	38	**-**	-
Wirawila Walk Inn Ltd	**-**	-	**198**	265
	700,706	652,868	**1,851**	1,737
Equity accounted investees				
Indra Hotels & Resorts Kandy (Pvt) Ltd	**1,229**	4,828	**-**	-
	1,229	4,828	**-**	-
	727,472	**680,031**	**2,919**	2,425

40. RELATED PARTY TRANSACTIONS (Contd.)

40.3 Transactions with related parties

For the year ended 31 March		Group		Company	
In Rs. '000	Note	2026	2025	2026	2025
Ultimate parent					
Receiving of services		(195,680)	(210,224)	(8,299)	(7,107)
Rendering of services		1,168	360	-	-
Companies under common control					
Purchase of goods	40.3.1	(67,429)	(204,451)	-	-
Rendering of services	40.3.1	29,508	405,672	-	-
Receiving of services	40.3.1	(922,666)	(2,337,189)	(5,839)	(3,073)
Subsidiaries					
Guarantee income received	40.3.2	-	-	83,591	84,098
Transfers under finance agreement	40.3.2	-	-	-	-
Settlement under finance agreement	40.3.2	-	-	-	-
Key management personnel (KMP)		-	-	-	-
Close family members of KMP		-	-	-	-
Companies controlled/ jointly controlled/ significantly influenced by KMP and their close family members		-	-	-	-
Post employment benefit plan					
Post employment benefit plan		(2,188)	(2,314)	-	-

40.3.1 Transactions with companies under common control

For the year ended 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Purchase of goods				
Ceylon Cold Stores PLC	-	(1,921)	-	-
Jaykay Marketing Services (Pvt) Ltd	(38,191)	(175,592)	-	-
John Keells Office Automation (Pvt) Ltd	(18,219)	(9,495)	-	-
Keells Food Products PLC	(11,019)	(17,443)	-	-
	(67,429)	(204,451)	-	-
Rendering of services				
Cinnamon Hotel Management Ltd	2,852	3,293	-	-
Indra Hotels & Resorts Kandy (Pvt) Ltd	-	2,541	-	-
John Keells Office Automation (Pvt) Ltd	-	97	-	-
Mackinnons Travels (Pvt) Ltd	-	1,407	-	-
Walkers Tours Ltd	-	374,732	-	-
Waterfront Properties (Pvt) Ltd	-	998	-	-
Whittall Boustead (Travels) Ltd	20,311	21,641	-	-
Other related parties	6,345	963	-	-
	29,508	405,672	-	-
Receiving of services				
Asian Hotels & Properties PLC	(1,007)	(1,271)	-	-
Cinnamon Hotel Management International (Pvt) Ltd	-	(1,116,164)	-	-
Cinnamon Hotel Management Ltd	(834,982)	(1,076,917)	-	-
Infomate (Pvt) Ltd	(73,353)	(95,982)	(2,962)	(1,475)
John Keells International (Pvt) Ltd	-	(13,794)	-	-
John Keells Office Automation (Pvt) Ltd	(55)	(8,617)	-	-
Keells Consultants (Pvt) Ltd	(6,602)	(4,333)	(2,877)	(1,598)
Mackinnons Travels (Pvt) Ltd	(3,909)	(15,547)	-	-
Walkers Tours Ltd	(1,402)	(4,123)	-	-
Other related parties	(1,356)	(441)	-	-
	(922,666)	(2,337,189)	(5,839)	(3,073)

40. RELATED PARTY TRANSACTIONS (Contd.)

40.3.2 Transactions with subsidiaries

For the year ended 31 March	Company	
In Rs. '000	2026	2025
Guarantee income received		
Ceylon Holiday Resorts Ltd	10,846	12,359
Hikkaduwa Holiday Resorts (Pvt) Ltd	1,503	2,008
John Keells Maldivian Resorts (Pvt) Ltd	27,401	26,820
Travel Club (Pvt) Ltd	43,841	42,911
	83,591	84,098

40.4 Compensation of Key Management Personnel

For the year ended 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Short term employee benefits	7,340	7,865	7,340	7,865
Post employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	7,340	7,865	7,340	7,865

Key management personnel include members of the Board of Directors of John Keells Hotels PLC, its subsidiaries and John Keells Holdings PLC.

OTHER DISCLOSURES

41. COMMITMENTS

Capital Commitments

As at 31 March	Group		Company	
In Rs. '000	2026	2025	2026	2025
Guarantees committed	7,574,290	7,421,983	7,574,290	7,397,490
	7,574,290	7,421,983	7,574,290	7,397,490

42. ASSETS PLEDGED

Assets pledged for facilities obtained is given in Note 34.2 to the financial statements.

43. CONTINGENT LIABILITIES

Accounting policy

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- The amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15).

Contingent assets are disclosed, where inflow of economic benefit is probable.

There were no significant contingent liabilities as at the reporting date except for the following:

John Keells Hotels PLC

Income tax assessment relating to years of assessment 2018/2019 and 2019/20

The company has lodged appeals against the assessments and is contesting these under appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31st March 2026 is estimated at Rs. 3.9Mn.

Habarana Walk Inn Ltd

Income tax assessment relating to year of assessment 2019/20

The company has lodged appeal against the assessment and is contesting it under appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31st March 2026 is estimated at Rs. 32.8Mn.

Habarana Lodge Ltd

Income tax assessment relating to year of assessment 2021/22

The company has lodged appeal against the assessment and is contesting it under appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31st March 2026 is estimated at Rs. 0.41Mn.

The management is confident that the ultimate resolution of the above contingencies are unlikely to have a material adverse effect on the financial position of the Group.

44. EVENTS SUBSEQUENT TO THE REPORTING DATE

The Board of Directors of the Company has declared a final dividend of Rs. 0.35 per share for the financial year ended 31 March 2026. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend which is to be paid on or before 26 June 2026.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2026.



SUPPLEMENTARY INFORMATION

Embracing Recreation

Context deepens understanding. The supplementary information in this section offers the granular view behind the broader narrative. It reflects where we have been, how far we have come, and the discipline that continues to guide each step forward.

In the vibrant luxury of culture, every detail carries weight; a reminder that the most considered journeys are completed not at the destination, but in everything that brought you there and kept you there.



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QUARTERLY INFORMATION

Income Statement - Group

In Rs. '000	2025/26 For the quarter ended 30th June	30th September	31st December	31st March	For the year ended 31st March
Revenue from contracts with customers	6,273,865	6,822,947	8,673,303	10,518,634	32,288,749
Cost of sales	(2,554,431)	(2,785,174)	(3,018,514)	(3,121,321)	(11,479,440)
Gross profit	3,719,434	4,037,773	5,654,789	7,397,313	20,809,309
Other operating income	32,805	33,661	42,654	1,220,618	1,329,738
Selling and distribution expenses	(366,207)	(432,548)	(299,979)	(657,809)	(1,756,543)
Administrative expenses	(2,748,643)	(2,866,973)	(3,061,361)	(3,136,104)	(11,813,081)
Other operating expenses	(818,633)	(785,425)	(974,893)	(849,633)	(3,428,584)
Results from operating activities	(181,244)	(13,512)	1,361,210	3,974,385	5,140,839
Finance costs	(613,583)	(604,552)	(600,200)	(571,048)	(2,389,383)
Finance income	11,749	7,934	9,694	15,026	44,403
Net gain from fair value remeasurement of investment properties	-	-	375,025	-	375,025
Share of results of equity accounted investees (net of tax)	(78,380)	(65,351)	(51,948)	(29,396)	(225,075)
Profit/(loss) before tax	(861,458)	(675,481)	1,093,781	3,388,967	2,945,809
Tax reversal/(expense)	105,016	(21,080)	(330,484)	(749,293)	(995,841)
Profit/(loss) for the year	(756,442)	(696,561)	763,297	2,639,674	1,949,968
Attributable to :					
Equity holders of the parent	(753,993)	(698,370)	758,660	2,627,647	1,933,944
Non-controlling interests	(2,449)	1,809	4,637	12,027	16,024
	(756,442)	(696,561)	763,297	2,639,674	1,949,968

Statement of Financial Position - Group

As at In Rs. '000	2025/26 30th June	30th September	31st December	31st March
ASSETS				
Non-current assets	70,512,470	70,380,061	71,826,719	69,540,939
Current assets	4,300,780	3,974,464	5,223,955	8,099,550
Total assets	74,813,250	74,354,525	77,050,674	77,640,489
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent	30,781,219	30,232,301	31,985,122	34,881,263
Non-controlling interests	106,184	107,999	114,175	95,880
Total equity	30,887,403	30,340,300	32,099,297	34,977,143
Non-current liabilities	21,662,223	21,005,176	20,935,572	22,303,346
Current liabilities	22,263,624	23,009,049	24,015,805	20,360,000
Total liabilities	43,925,847	44,014,225	44,951,377	42,663,346
Total equity and liabilities	74,813,250	74,354,525	77,050,674	77,640,489
SHARE INFORMATION				
Earnings/(loss) per share (Rs.)	(0.52)	(0.48)	0.52	1.33
Net assets per share (Rs.)	21.14	20.76	21.97	23.95
Market price per share (Rs.)				
Highest	21.80	27.40	28.00	23.90
Lowest	18.60	19.90	20.00	16.00
Last traded price	21.40	26.90	22.90	16.20

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

Income Statement

For the year ended 31 March	Group		Company	
In USD '000	2026	2025	2026	2025
Revenue from contracts with customers	106,049	98,378	-	-
Cost of sales	(37,703)	(35,974)	-	-
Gross profit	68,346	62,404	-	-
Dividend income	-	-	1,332	929
Other operating income	4,367	506	7,702	-
Selling and distribution expenses	(5,769)	(6,303)	-	-
Administrative expenses	(38,799)	(36,006)	(132)	(112)
Other operating expenses	(11,261)	(11,119)	(3)	(1)
Results from operating activities	16,884	9,482	8,899	816
Finance costs	(7,848)	(8,704)	(338)	(427)
Finance income	146	139	292	331
Net gain from fair value remeasurement of investment properties	1,232	250	-	-
Share of results of equity accounted investees (net of tax)	(739)	(154)	-	-
Profit before tax	9,675	1,013	8,853	720
Tax reversal/(expense)	(3,271)	(1,761)	(1,254)	(60)
Profit/(loss) for the year	6,404	(748)	7,599	660
Attributable to :				
Equity holders of the parent	6,351	(770)		
Non-controlling interests	53	22		
	6,404	(748)		
Exchange Rate (SL Rs.)	304.47	298.02	304.47	298.02

Indicative consolidated accounts have been published in USD equivalents for information purposes only.

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. These financial statements should be read together with the auditors opinion and notes to the financial statements.

The exchange rates prevailing at each year end have been used for the conversion of the consolidated income statement and the statement of financial position.

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

Statement of Financial Position

As at 31 March	Group		Company	
In USD '000	2026	2025	2026	2025
ASSETS				
Non-current assets				
Property, plant and equipment	98,455	110,006	-	-
Right-of-use assets	101,995	108,714	-	-
Investment properties	7,993	7,241	-	-
Intangible assets and goodwill	2,243	2,706	-	-
Investment in subsidiaries	-	-	37,926	41,736
Investment in equity accounted investees	5,070	6,148	5,866	6,238
Non-current financial assets	1,739	1,312	-	-
Deferred tax assets	3,007	2,787	-	-
	220,502	238,914	43,792	47,974
Current assets				
Inventories	2,352	1,907	-	-
Trade and other receivables	14,311	11,835	6,604	-
Amounts due from related parties	562	887	35	30
Other current assets	2,198	1,968	35	31
Short-term investments	152	407	-	-
Cash in hand and at bank	6,108	6,169	2,339	859
	25,683	23,173	9,013	920
Total assets	246,185	262,087	52,805	48,894
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	30,124	32,060	30,124	32,060
Revenue reserves	13,349	4,514	18,316	12,178
Other components of equity	67,129	69,642	-	-
	110,602	106,216	48,440	44,238
Non-controlling interests	304	367	-	-
Total equity	110,906	106,583	48,440	44,238

As at 31 March	Group		Company	
In USD '000	2026	2025	2026	2025
Non-current liabilities				
Interest-bearing loans and borrowings	**16,307**	13,673	**1,715**	3,147
Lease liabilities	**47,042**	52,349	**-**	-
Deferred tax liabilities	**5,912**	6,997	**-**	-
Employee benefit liabilities	**1,190**	1,001	**-**	-
Non-current financial liabilities	**268**	339	**-**	-
	70,719	74,359	**1,715**	3,147
Current liabilities				
Trade and other payables	**7,408**	8,034	**111**	46
Amounts due to related parties	**2,307**	2,295	**9**	8
Other current liabilities	**6,319**	6,780	**-**	-
Income tax liabilities	**2,280**	777	**1,224**	45
Interest-bearing loans and borrowings	**4,871**	13,329	**1,306**	1,410
Short term borrowings	**1,807**	6,412	**-**	-
Lease liabilities	**5,997**	5,513	**-**	-
Bank overdrafts	**33,571**	38,005	**-**	-
	64,560	81,145	**2,650**	1,509
Total equity and liabilities	**246,185**	262,087	**52,805**	48,894
Exchange Rate (SL Rs.)	**315.38**	296.33	**315.38**	296.33

DECADE AT A GLANCE - GROUP

In Rs. '000	2026	2025	2024	2023
OPERATING RESULTS				
Revenue	**32,288,749**	29,318,227	30,739,251	28,835,400
Cost of sales	**(11,479,440)**	(10,720,936)	(11,789,456)	(10,788,449)
Gross profit	**20,809,309**	18,597,291	18,949,795	18,046,951
Earnings before interest and tax (EBIT)	**5,359,091**	2,912,239	2,816,942	2,097,971
Finance costs	**(2,389,383)**	(2,593,822)	(2,882,137)	(2,702,004)
Profit/(loss) before tax	**2,945,809**	302,007	(65,195)	(604,033)
Tax reversal/(expense)	**(995,841)**	(524,681)	(373,810)	271,489
Profit/(loss) for the year	**1,949,968**	(222,674)	(439,005)	(332,544)
Attributable to :				
Equity holders of the parent	**1,933,944**	(229,229)	(436,428)	(320,924)
Non-controlling interests	**16,024**	6,555	(2,577)	(11,620)
	1,949,968	(222,674)	(439,005)	(332,544)
ASSETS				
Non current assets				
Property, plant and equipment (PP&E)	**31,050,290**	32,597,443	33,158,443	34,821,838
Right-of-use asset (ROU)	**32,166,529**	32,214,594	35,471,044	41,443,969
Lease rentals paid in advance (LRPA)	**-**	-	-	-
Investment properties (IP)	**2,520,700**	2,145,675	2,070,528	1,970,300
Intangible assets and goodwill (IA)	**707,519**	801,885	670,407	670,407
Non current assets other than PP&E, ROU, LRPA and IA	**3,095,901**	3,036,279	2,525,082	2,311,091
	69,540,939	70,795,876	73,895,504	81,217,605
Current assets				
Short-term investments (STI) and Cash in hand and Bank (C&B)	**1,974,417**	1,948,787	1,141,213	1,795,642
Current assets other than STI and C&B	**6,125,133**	4,918,132	4,862,823	4,083,087
	8,099,550	6,866,919	6,004,036	5,878,729
Total assets	**77,640,489**	77,662,795	79,899,540	87,096,334
EQUITY & LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	**9,500,247**	9,500,247	9,500,247	9,500,247
Revenue reserves	**4,210,061**	1,337,678	1,511,732	1,968,045
Other components of equity	**21,170,955**	20,636,555	20,168,463	21,030,791
	34,881,263	31,474,480	31,180,442	32,499,083
Non-controlling interests	**95,880**	108,726	104,090	99,319
Total equity	**34,977,143**	31,583,206	31,284,532	32,598,402

2022	2021	2020	2019	2018	2017
13,354,724	3,660,539	9,711,741	11,032,715	11,614,376	12,311,664
(4,997,121)	(2,130,666)	(3,496,474)	(3,439,138)	(4,020,790)	(3,907,360)
8,357,603	1,529,873	6,215,267	7,593,577	7,593,586	8,404,304
70,729	(4,712,323)	(633,000)	1,428,010	1,581,774	2,482,885
(1,235,013)	(1,124,063)	(653,104)	(251,103)	(255,519)	(227,788)
(1,297,872)	(5,854,557)	(1,306,957)	1,079,785	1,350,714	2,236,128
80,940	734,749	105,565	(248,090)	(220,116)	(372,620)
(1,216,932)	(5,119,808)	(1,201,392)	831,695	1,130,598	1,863,508
(1,202,776)	(5,096,181)	(1,200,568)	816,810	1,118,951	1,846,130
(14,156)	(23,627)	(824)	14,885	11,647	17,378
(1,216,932)	(5,119,808)	(1,201,392)	831,695	1,130,598	1,863,508
32,322,034	27,108,615	26,692,178	17,563,154	14,083,594	14,354,695
40,683,891	28,432,037	26,115,233	-	-	-
-	-	-	11,449,766	10,587,355	10,714,231
1,768,900	1,663,950	1,647,700	1,626,196	1,573,798	-
670,407	670,407	670,407	670,407	670,407	670,407
2,325,788	1,863,367	1,126,923	822,176	355,755	332,441
77,771,020	59,738,376	56,252,441	32,131,699	27,270,909	26,071,774
1,732,679	1,328,341	1,461,154	2,253,324	4,165,911	4,175,145
4,018,889	1,408,752	2,862,489	2,865,444	1,799,020	1,836,543
5,751,568	2,737,093	4,323,643	5,118,768	5,964,931	6,011,688
83,522,588	62,475,469	60,576,084	37,250,467	33,235,840	32,083,462
9,500,247	9,500,247	9,500,247	9,500,247	9,500,247	9,500,247
2,296,282	3,427,168	8,523,704	9,695,525	9,075,560	8,531,777
18,244,432	11,398,724	10,721,124	9,564,193	7,633,178	6,749,432
30,040,961	24,326,139	28,745,075	28,759,965	26,208,985	24,781,456
99,428	104,587	127,318	136,602	144,503	139,392
30,140,389	24,430,726	28,872,393	28,896,567	26,353,488	24,920,848

DECADE AT A GLANCE - GROUP

In Rs. '000	2026	2025	2024	2023
Non current liabilities				
Non current liabilities other than lease liabilities & IBB	2,324,457	2,470,288	2,154,784	1,839,397
Lease liabilities	14,835,945	15,512,441	16,245,983	21,125,639
Interest-bearing loans and borrowings (IBB)	5,142,944	4,051,716	6,174,553	12,961,265
	22,303,346	22,034,445	24,575,320	35,926,301
Current liabilities				
Current liabilities other than borrowings, OD and lease liabilities	5,775,115	5,300,248	4,746,910	4,297,373
Current portion of lease liabilities	1,891,363	1,633,526	3,143,257	1,682,243
Current portion of borrowings and bank overdraft	12,693,522	17,111,370	16,149,521	12,592,015
	20,360,000	24,045,144	24,039,688	18,571,631
Total equity and liabilities	77,640,489	77,662,795	79,899,540	87,096,334
CASH FLOWS				
Net cash flows from/(used in) operating activities	6,189,860	4,800,934	6,049,580	5,570,841
Net cash flows from/(used) in investing activities	(940,508)	(1,964,097)	(1,368,292)	(1,313,786)
Net cash flows from/(used in) financing activities	(4,549,391)	(3,959,574)	(6,373,898)	(6,051,206)
Net Increase/(decrease) in Cash and Cash Equivalents	699,961	(1,122,737)	(1,692,610)	(1,794,151)
KEY INDICATORS				
Basic earnings per share (EPS) (Rs.)	1.33	(0.16)	(0.30)	(0.22)
EPS growth / (de-growth) (%)	931.25	46.67	(36.36)	73.49
EBIT Margin (%)	16.60	9.93	9.16	7.28
Dividend per share (Rs.)	0.10	-	-	-
Dividend pay-out (%)	7.52	-	-	-
Dividend yield (%)	0.62	-	-	-
Interest cover (no. of times)	2.24	1.12	0.98	0.78
Return on equity (%)	5.88	(0.71)	(1.38)	(1.06)
Pre-tax ROCE (%)	7.70	4.08	3.66	2.62
No. of shares in issue ('000)	1,456,147	1,456,147	1,456,147	1,456,147
Net assets per share (Rs.)	23.95	21.61	21.41	22.32
Debt/Equity (%)	51.14	67.24	71.60	79.00
Debt/Total assets (%)	44.52	49.33	52.21	55.53
Market price of share as at 31 March (Rs.)	16.20	20.20	18.60	18.90
Market capitalisation (Rs. '000)	23,589,581	29,414,169	27,084,334	27,521,178
Price earnings ratio (no. of times)	12.18	(126.25)	(62.00)	(85.91)
Assets turnover (no. of times)	0.42	0.38	0.38	0.33
Current ratio (no. of times)	0.40	0.29	0.25	0.32
USD closing rate	315.38	296.33	300.40	329.50
USD average rate	304.47	298.02	318.12	360.36

The figures are derived from financial statements prepared in accordance with SLFRS/LKAS. Figures for the remaining periods are derived from financial statements prepared in accordance with previous SLASs.

	2022	2021	2020	2019	2018	2017
	1,051,971	988,951	1,071,538	1,184,700	1,005,298	570,741
	19,659,970	14,983,915	12,318,477	-	-	-
	16,466,986	13,240,350	10,749,189	3,207,504	2,764,218	1,083,408
	37,178,927	29,213,216	24,139,204	4,392,204	3,769,516	1,654,149
	3,134,267	1,729,135	2,022,604	1,713,985	1,632,908	1,422,477
	2,947,669	1,131,749	1,103,057	-	-	-
	10,121,336	5,970,643	4,438,826	2,247,711	1,479,928	4,085,988
	16,203,272	8,831,527	7,564,487	3,961,696	3,112,836	5,508,465
	83,522,588	62,475,469	60,576,084	37,250,467	33,235,840	32,083,462
	(32,797)	(997,530)	1,947,185	1,704,850	2,997,104	3,231,801
	(126,867)	(1,522,983)	(11,016,763)	(3,791,262)	(567,660)	(3,105,447)
	(1,759,413)	1,776,082	6,197,212	(380,813)	(333,603)	(49,099)
	(1,919,077)	(744,431)	(2,872,366)	(2,467,225)	2,095,841	77,255
	(0.83)	(3.50)	(0.82)	0.56	0.77	1.27
	76.29	(326.83)	(246.43)	(27.27)	(39.37)	6.72
	0.53	(128.73)	(6.52)	12.94	13.62	20.17
	-	-	-	0.15	0.40	0.40
	-	-	-	26.79	52.05	31.55
	-	-	-	2.00	4.30	4.00
	0.06	(4.19)	(0.97)	5.69	6.19	10.90
	(4.48)	(19.29)	(4.18)	3.03	4.43	7.82
	0.10	(8.05)	(1.38)	4.42	5.24	8.78
	1,456,147	1,456,147	1,456,147	1,456,147	1,456,147	1,456,147
	20.63	16.71	19.74	19.75	18.00	17.02
	88.51	78.97	52.84	18.97	16.19	20.86
	58.90	56.54	47.23	14.64	12.77	16.11
	11.70	9.50	6.70	7.50	9.30	10.00
	17,036,917	13,833,394	9,756,183	10,921,101	13,542,165	14,561,468
	(14.10)	(2.71)	(8.17)	13.39	12.08	7.87
	0.16	0.06	0.16	0.30	0.35	0.38
	0.35	0.31	0.57	1.29	1.92	1.09
	305.00	200.30	189.63	175.45	155.90	151.90
	208.34	189.02	179.42	168.58	153.56	147.98

GROUP REAL ESTATE PORTFOLIO

Owning company and location	Buildings				Land in acres				Net book value	
	Numbers		Square feet		Freehold property		Leasehold property			
	2026	2025	2026	2025	2026	2025	2026	2025	2026 In Rs. '000	2025 In Rs. '000
PROPERTIES - SRI LANKA										
Beruwala Holiday Resorts (Pvt) Ltd										
Cinnamon Bey Beruwala	9	9	345,355	345,355	10.82	10.82	-	-	5,723,191	5,560,542
Ceylon Holiday Resorts Ltd										
Cinnamon Bentota Beach	8	8	323,505	323,505	0.70	0.70	11.92	11.92	5,085,839	5,083,804
Hikkaduwa Holiday Resorts (Pvt) Ltd										
Hikka Tranz by Cinnamon	6	6	229,953	229,953	0.29	0.29	4.37	4.37	2,014,299	2,017,429
Habarana Lodge Ltd										
Cinnamon Lodge Habarana	79	79	101,162	101,162	-	-	36.09	36.09	891,299	899,459
Habarana Walk Inn Ltd										
Habarana Village by Cinnamon	84	84	91,369	91,369	-	-	9.34	9.34	355,815	393,782
Kandy Walk Inn Ltd										
Cinnamon Citadel Kandy	-	6	-	128,302	-	6.29	-	-	-	2,092,247
Resort Hotels Ltd										
Nilaveli	-	-	-	-	41.73	41.73	-	-	1,227,300	1,154,300
Trinco Holiday Resorts (Pvt) Ltd										
Trinco Blu by Cinnamon	9	9	128,079	128,079	13.24	13.24	-	-	1,948,090	1,629,619
Trinco Walk Inn Ltd										
Trincomalee	-	-	-	-	14.15	14.15	-	-	796,200	515,275
Wirawila Walk Inn Ltd										
Wirawila	-	-	-	-	25.15	25.15	-	-	113,318	109,520
Yala Village (Pvt) Ltd										
Cinnamon Wild Yala	78	78	95,668	95,668	-	-	10	10	628,034	641,240
Ahungalla Holiday Resorts (Pvt) Ltd										
Ahungalla	-	-	-	-	6.51	6.51	-	-	384,000	366,700
Yala Adventure Park (Pvt) Ltd										
Yala	-	-	-	-	-	-	2.75	-	88,100	-
PROPERTIES - MALDIVES										
Tranquility (Pvt) Ltd										
Cinnamon Dhonveli Maldives	146	146	261,327	261,327	-	-	17.16	17.16	25,002,500	23,893,730
Cinnamon Velifushi Maldives	145	145	263,512	263,512	-	-	13.22	13.22	3,817,650	4,513,907
Travel Club (Pvt) Ltd										
Ellaidhoo Maldives by Cinnamon	115	115	178,294	178,294	-	-	13.8	13.8	3,542,356	4,190,537
Fantasea World Investments (Pvt) Ltd										
Cinnamon Hakuraa Huraa Maldives	163	163	236,730	236,730	-	-	18.9	18.9	10,517,636	10,372,042
Total	842	848	2,254,954	2,383,256	112.6	118.9	137.5	134.8	62,135,627	63,434,133

CONSOLIDATED ECONOMIC VALUE-ADDED STATEMENT

For the year ended 31 March	Sri Lanka		Maldives		Group	
In Rs. '000	2026	2025	2026	2025	2026	2025
Direct economic value generated						
Revenue	13,067,257	11,163,836	19,221,492	18,154,391	32,288,749	29,318,227
Finance income	24,688	32,979	19,715	8,505	44,403	41,484
Net gain from fair value remeasurement of investment properties	375,025	74,597	-	-	375,025	74,597
Share of results of equity accounted investees (net of tax)	(225,075)	(45,907)	-	-	(225,075)	(45,907)
Proceeds from sale of property, plant and equipment	18,322	8,779	42,825	17,086	61,147	25,865
	13,260,217	11,234,284	19,284,032	18,179,982	32,544,249	29,414,266
Economic value distributed						
Operating costs	8,487,381	7,544,898	14,556,350	15,308,826	23,043,731	22,853,724
Employee wages and benefits	2,509,255	2,275,718	2,924,663	3,100,260	5,433,918	5,375,978
Payments to providers of funds	747,153	882,600	1,642,230	1,711,222	2,389,383	2,593,822
Payments to government:						
Sri Lanka	309,443	234,432	-	-	309,443	234,432
Maldives	-	-	192,558	42,023	192,558	42,023
Community investments	14,150	8,790	5,295	1,649	19,445	10,439
	12,067,382	10,946,438	19,321,096	20,163,980	31,388,478	31,110,418
Net economic value retained/(distributed)	1,192,835	287,846	(37,064)	(1,983,998)	1,155,771	(1,696,152)

Above data has been derived from the audited Financial Statements that were prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS).

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

SLFRS1 and SLFRS2 Disclosures

BASIS OF PREPARATION

Aligning with the reporting requirements of SLFRS Sustainability Standards S1 and S2

From 1st January 2025, the first 100 listed entities on the Main Board of the Colombo Stock Exchange were required to comply with the requirements of SLFRS Sustainability Standards S1 and S2 issued by CA Sri Lanka. Accordingly, John Keells Holdings PLC adopted a structured approach to its implementation across the John Keells Group (JK Group) with assistance from external consultants. The Hotel group, as part of the JK Group, was integrated into the JK Group governance and risk management structures established to facilitate compliance with the requirements of SLFRS Sustainability Standards S1 and S2. Hotel group also conducted an in-depth analysis of its value chain to identify its material sustainability-related and climate-related risks and opportunities with detailed disclosures provided on page 320 of this Integrated Report.

Basis of preparation of Hotel group's SLFRS Sustainability Standards S1 and S2 disclosures

Reporting entity:

Hotel group's SLFRS Sustainability Standards S1 and S2 disclosures presented on page 319 of this Integrated Annual Report have been prepared for John Keells Hotels PLC and its subsidiaries (collectively referred to as 'Cinnamon' and 'the Group').

Statement of compliance:

The Group's SLFRS Sustainability Standards S1 and S2 Disclosures have been prepared in accordance with SLFRS Sustainability Standards S1 and S2 issued by CA Sri Lanka, which is a localised version of the ISSB's Sustainability Standards S1 and S2.

Connectivity:

The Group's sustainability-related financial information is presented for the financial year ended 31st March 2026 and aligns with the reporting period of the Group's consolidated financial statements. The Report draws on information presented in other sections of this Integrated Annual Report, including the financial statements and the value creation model, to present a cohesive view of how relevant SRROs and CRROs could impact the Group's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly linked to and cross-referenced with relevant financial statement line items, such as energy costs, provisions, and capital expenditure on decarbonisation initiatives. All sustainability-related financial information has been presented in Sri Lankan Rupees with all amounts rounded to the nearest thousand, unless otherwise stated.

Sources of guidance:

In preparing its sustainability-related financial information, the Group has referred to and considered the following standards,

- SLFRS Sustainability Standards S1
- SLFRS Sustainability Standards S2
- SASB Standard for Hotels and Lodgings.

Transition relief:

In preparing this Report, the Group has availed the transition relief available to first-time reporters as follows:

- No comparative information is disclosed for SRROs and CRROs for the previous period.
- Climate-related scenario analysis has not been performed in the current reporting period.
- The Group has adopted a qualitative approach to reporting the current and future impacts of SRROs and CRROs on its financial position, performance and cash flows.

Assumptions, judgements and estimates:

Key assumptions, judgements, and estimates related to our sustainability and climate disclosures are presented.

Value Chain Description and Data Limitations:

Group's value chain encompasses the following activities, all of which are considered in the Double Materiality Assessment:

Upstream - Procurement of goods and services (including food, beverages, technology, and capital goods), inbound logistics and transportation, and energy and water utilities.

Midstream – Hotel operations, including but not limited to reservations, revenue management, front office, housekeeping, F&B services, maintenance and engineering, event management, human resources, marketing and communications, information technology & cyber security, accommodation, excursions and security.
Downstream – Customers, outsourced employees, waste management.

The preparation of this Statement involves making judgments and estimates, particularly for value chain data. The most significant sources of estimation uncertainty are:

GHG emissions - Quantification is unavoidably subject to inherent limitations due to the nature of, and methods used for data collection, determining emission factors and assumptions.

Water withdrawal -Data quality is expected to improve over time as meter coverage increases.

Resilience assessment - Forward-looking disclosures on transition risks rely on assumptions

Time Horizons

The time horizons considered in this report are;

- Current: 2025/26, corresponding to the financial reporting period
- Short-term: less than 1 year (2026/27);
- Medium-term: more than 1 year to 5 years (2027/28 – 2031/32);
- Long-term: more than 5 years (2032/33 onwards).

Application of Judgement

In preparing these disclosures, management has exercised judgement in determining materiality, applying data proportionality, and assessing the extent of the hotel group's influence across its value chain. These disclosures should be read in conjunction with the Consolidated Financial Statements to provide an integrated view of how sustainability considerations are embedded within the Group's strategy, governance, and risk management frameworks.

The key areas where significant judgement has been applied are summarised below;

Topics	Description of Judgment Applied
Financial materiality assessment	The management applied judgement in assessing SRRs and CRRs arising from value chain impacts and dependencies that could reasonably affect the Group's strategy, business model or financial position and performance.
GHG emissions	Management judgement was exercised in selecting appropriate location-based emission factors for the calculation of the Scope 1 and Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions. Further details are provided in the Planet section on page 99.
Risk assessments and material risks	Management judgment was applied in assessing the likelihood of occurrence and severity of financial impacts associated with SRRs and CRRs that are considered financially material to the hotels group. Furthermore, management judgement was exercised in evaluating non-financial impacts that may have future financial implications.
Scenario selection	Climate scenario analysis has not been performed in the current reporting period. The Group has applied the transition relief available under SLFRS S1 and S2 for first time reporting.

SUSTAINABILITY GOVERNANCE

The Board of Directors (the "Board") of John Keells Hotels PLC holds ultimate responsibility for overseeing sustainability impacts on the economy, environment and people, and for assessing sustainability and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect JK Hotels' financial position, performance and resilience over the short, medium and long term.

The Board of Directors holds overall responsibility, with oversight provided by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee (ESSC), and the Leisure Group Management Committee (GMC), as detailed below. This governance structure aligns with the SLFRS S1/ S2 standards, emphasising the importance of clear processes, controls, and procedures for monitoring and managing sustainability and climate-related issues. It is also designed to address the Group's sustainability impacts on the economy, environment, and society, in accordance with the GRI Standards for Governance disclosures.

Please refer to the page 189 in the Corporate Governance section for the detailed ESG governance structure.

Strategy

The Group integrates sustainability into our business strategy to drive long-term growth and operational resilience. Our approach to identifying and managing the material issues is through a continuous Stakeholder Engagement process and Double Materiality Assessment (DMA). This process allows us to define risks and opportunities. These findings inform our sustainability targets, strategic direction, and new initiatives, ensuring that our business model remains responsive to the evolving needs of our people, the environment, and our stakeholders.

Business Model

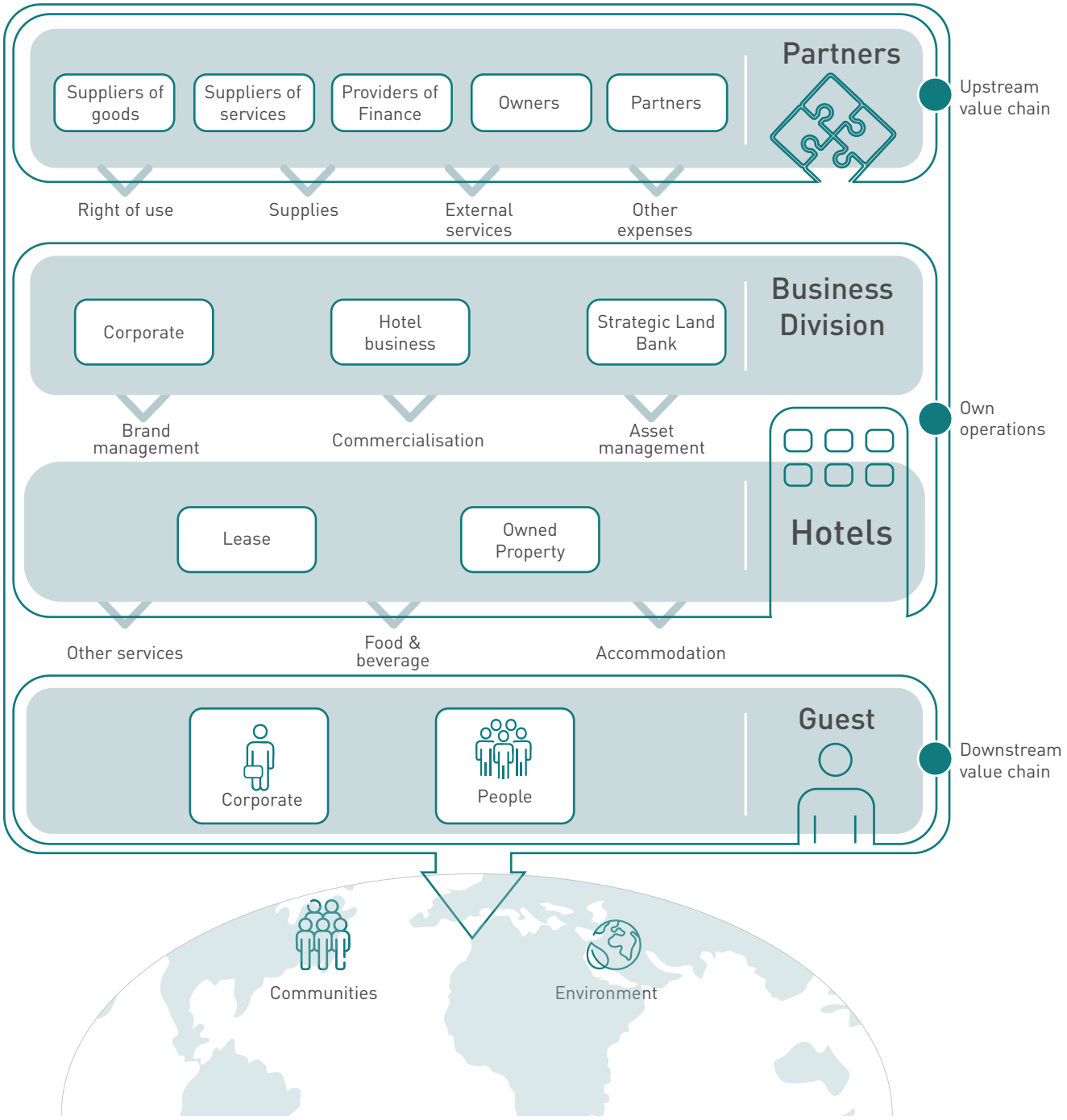
The Group owns a diversified portfolio of hotels in Sri Lanka and the Maldives.

Our hospitality portfolio includes:

- Over 13 hotels in Sri Lanka and the Maldives.

Operating models:
- Fully owned properties
- Partially owned properties
- Leased properties

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL



Type	Risk/opportunity	Time	Position in the value chain
Climate-related risk	**Physical – Acute risk: Acute Weather Disruption Risk** Increasing frequency and severity of climate related natural hazards such as flooding, heavy rainfall, storm surges, and strong winds may disrupt business operations, damage company owned and leased properties, impair access to critical utilities, and impact service continuity. These events may also disrupt supply chains and logistics networks, affecting the availability of critical goods, services, and inputs required for operations. These risks may be heightened when infrastructure lacks adequate climate resilient design, structural reinforcement, or disaster preparedness measures.	Short to Medium-term	Own operation and upstream activities
Climate-related risk	**Transition: Energy cost & transition risk** Rising temperatures will escalate cooling demand, driving up operating costs. Energy risks are compounded by volatile tariffs, grid instability, and efficiency gaps. Together, these pressures increase financial exposure and elevate Scope 1, 2 emissions, intensifying both cost and transition risks.	Short to Long-term	Own operation
Sustainability-related risk	**Water stress & continuity risk** Rising water scarcity and unreliable supply, which can disrupt hotel operations and guest services. In water-stressed regions, dry periods or competing with local demand may cause supply interruptions, increasing dependence on alternative sources and driving up operating costs.	Short to Long-term	Own operation and upstream activities
Sustainability-related risk	**Data Privacy and cybersecurity risk** Rising cyber security threats could heighten exposure to unauthorised access, system breaches, and operational disruptions, including those involving guest payment systems and personal data, potentially resulting in legal and regulatory consequences, reputational harm, and erosion of guest trust.	Short to Medium-term	Own operation
Sustainability-related risk	**Guest food safety risk** Failures in meeting food safety compliance (dietary, allergen, and certification) that could lead to guest harm, legal liabilities, regulatory breaches, and reputational damage.	Short to Medium-term	Own operation and upstream activities
Sustainability-related risk	**Biodiversity-driven demand risk** Risk of reduction in business demand due to ecosystem or biodiversity, in ecologically sensitive areas, related to exposure from extreme climate events (incl. coral reef/marine ecosystem health in Maldives; wildlife-based tourism in Sri Lanka dry zone parks).	Short to Medium-term	Own operation
Sustainability-related risk	**Talent retention /skills availability risk** Risk of decline in service quality due to difficulties in retaining skilled service staff, leading to operational inefficiencies, increased recruitment and training costs, and potential reputational impact.	Short to Medium-term	Own operation
Climate-related opportunity	**Renewable Energy Transition** Leverage energy management, expand renewable energy adoption, and accelerate Scope 1 & 2 decarbonisation initiatives to significantly lower energy costs, stabilise operating margins, and enhance long-term competitiveness through a lower-carbon operating model.	Short to Medium-term	Own operation
Sustainability-related opportunity	**Nature-linked demand resilience (biodiversity & ecosystem stewardship)** Protect nature linked demand by strengthening biodiversity and ecosystem stewardship across key destinations, including reef and marine conservation in the Maldives and collaboration with regulators and supplychain partners on park management and wildlife corridors in Sri Lanka. These initiatives support destination resilience, preserve the natural assets that underpin guest appeal, and help safeguard long term tourism demand.	Short to Medium-term	Own operation
Sustainability-related opportunity	**Water security & water neutrality** Opportunity to advance water security and water neutrality by reducing freshwater dependency and supporting water neutrality journey, enabling cost stability, resilience, and growth in water scarce locations.	Short to Long-term	Own operation

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

ACUTE WEATHER DISRUPTION RISK

Risk Description

Current and anticipated impact on business model and value chain

Increasing frequency and severity of climate related natural hazards such as flooding, heavy rainfall, storm surges, and strong winds may disrupt business operations, damage company owned and leased properties, impair access to critical utilities, and impact service continuity. These events may also disrupt supply chains and logistics networks, affecting the availability of critical goods, services, and inputs required for operations. These risks may be heightened when infrastructure lacks adequate climate resilient design, structural reinforcement, or disaster preparedness measures.

Current Financial Impact

Recent cyclones and flooding in Sri Lanka damaged some properties, resulting in a total insurance claim of Rs. 21.2 Mn.

Strategy (changes to the business model and mitigation strategies)

Direct efforts focus on integrating climate-resilient design features, such as elevated structures, flood-protection barriers, and redundant utility systems, to minimise physical damage and shorten recovery time after an event. At the operational level, resorts maintain detailed emergency preparedness plans, standard operating procedures for floods and storms, inventories of critical spare parts, backup power, and comprehensive evacuation and guest-safety protocols. Anticipated efforts include further investment in resilient infrastructure, strengthened insurance strategies, and expanded site-level hazard preparedness.

Indirect efforts involve collaborating with external partners to ensure operational continuity. This includes coordinating closely with utilities, insurers, contractors, and local authorities to speed up service recovery and synchronise disaster response efforts. The business also depends on partner continuity plans and unified emergency protocols with major vendors and service providers. In the future, indirect adaptation is likely to strengthen through improved multi-stakeholder cooperation and shared disaster-response frameworks.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Operating cost increases and capital expenditure requirements. In addition, potential effects on revenue through brand preference and customer choice, and on cost of capital through investor sentiment.

WATER STRESS & CONTINUITY RISK

Risk Description

Current and anticipated impact on business model and value chain

Hotel group operations are water-intensive, particularly in hotels and resorts, where water is essential for guest services, including pools, spas, laundry, landscaping, and food preparation. Freshwater scarcity is increasing operating costs in regions with unreliable supply, driven by reliance on alternative water sources, additional treatment, and transport. Withdrawing water from local sources in stressed areas can reduce water availability for local communities and ecosystems.

Our resort properties – which consume more water per room sold than urban hotels due to larger footprints, pools, and landscaped grounds – have increased our aggregate water intensity. Properties in the Maldives are entirely dependent on desalination, making water production both energy-intensive and operationally critical.

This risk is concentrated in the upstream stage of the value chain and own operations, where a dependable water supply is critical for service delivery and hygiene standards.

Current Financial Impact

Increase in water procurement cost for hotels depends on Reverse Osmosis plants.

Strategy (changes to the business model and mitigation strategies)

The entity is adjusting its business model to prioritise water efficiency, with resource allocation focused on upgrading plumbing systems, improving metering, installing efficient fixtures, expanding storage capacity, and reducing reliance on external freshwater sources. In more water-stressed assets, capital expenditure is directed towards technological improvements, water-saving equipment, and enhanced operational controls to support long-term resilience.

Indirect efforts involve collaboration with municipal authorities, local utilities, and community partners to support a reliable water supply and shared conservation initiatives. The entity also works with outsourced service providers, including laundry, landscaping, and maintenance vendors, to adopt water-efficient practices and ensure supply-chain resilience in high-stress regions.

Please refer to pages 104 to 106 for the detailed strategies implemented to reduce water consumption.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Higher water procurement costs, regulatory restrictions on amenities, and the cost of capital through investor sentiment.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

ENERGY COST & TRANSITION RISK

Risk Description

Current and anticipated impact on business model and value chain

In tropical and dry regions like Southeast Asia, rising temperatures lead to increased energy demand. This is especially true in energy-heavy hotel operations such as HVAC, kitchens, laundry, backup generators, and grid connections, where energy consumption peaks. Current energy costs and transition challenges are raising operating expenses due to tariff fluctuations, grid outages, and efficiency issues in high-load systems across the hotel industry. These factors heighten cost sensitivity and demand ongoing investments in energy efficiency, control optimisation, and system upgrades. In addition, it also elevates Scope 1, 2 emissions, further intensifying both cost and transition risks.

As the global economy moves toward net-zero emissions, the hotel sector may face financial risks from policy shifts towards renewable energy, technological changes, and shifting market expectations. Guests are increasingly choosing eco-friendly accommodations, and destinations viewed as unsustainable may see a drop in visitors.

Current Financial Impact

Rising energy costs

Strategy (changes to the business model and mitigation strategies)

Energy costs and transition pressures are pushing the business model toward greater efficiency and resilience, requiring more investment in load management, targeted upgrades, and partial adoption of renewables to control rising operating costs. Looking ahead, the model will shift further toward renewables, PPAs, and structured carbon management planning as regulations and supplier expectations tighten, gradually transforming operations into a more energy-efficient, less grid-dependent model.

To meet GHG emission reduction targets and climate change mitigation efforts, the following decarbonisation strategies have been identified:

Lever 1: Enhancing energy efficiency
Lever 2: Transitioning to renewable energy sources
Lever 3: Raising awareness and engaging stakeholders throughout the value chain.

Please refer to page 98 for the detailed strategies implemented.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Operating cost increases, capital expenditure requirements, and the cost of capital through investor sentiment.

DATA PRIVACY AND CYBERSECURITY RISK

Risk Description

Current and anticipated impact on business model and value chain

Data privacy and cybersecurity risk currently expose the entity to potential data breaches, operational disruptions, financial liabilities, reputational harm, and loss of guest trust across its digital systems. In the short term, reliance on interconnected reservation platforms, payment systems, and vendor-managed digital services increases exposure to cyber incidents without continuous enhancements to security controls. Over the medium and long term, the evolution of cyber threats, greater regulatory scrutiny, and increasing technological complexity may result in more severe or large-scale incidents, heightening risks to operational continuity and customer confidence.

This risk is concentrated across the own activities of the value chain, particularly within reservation systems, digital infrastructure, data governance processes, and hotel operational IT systems that store or transmit sensitive guest and payment information. It affects all geographical regions in which the group operates, with dependencies on secure cloud systems, third-party vendor compliance, and the integrity of the group's digital platforms.

Current Financial Impact

None

Strategy (changes to the business model and mitigation strategies)

The entity addresses data privacy and cybersecurity risk by strengthening data governance, enhancing encryption and access controls, and applying strict third-party due diligence for digital vendors and platforms. Privacy and security requirements are embedded into decisions on new systems and digital initiatives. Planned actions include further investment in cyber-resilience tools, improved threat monitoring, upgraded infrastructure, and enhanced governance across properties to safeguard guest data and maintain trust.

The entity has improved operational resilience by testing and refining incident-response procedures, enhancing backup and recovery readiness, and strengthening security controls across PMS, payment systems, and guest-facing platforms. Vendor oversight has advanced through updated contracts with clearer security obligations and incident-response SLAs. Internal cybersecurity audits show improved compliance and faster remediation cycles, demonstrating reduced exposure and stronger system readiness.

In managing this risk, the entity balances enhanced security measures with operational efficiency, user experience, and cost. Decisions involving new booking systems, payment gateways, or cloud integrations consider both vendor security strength and business benefits. Tighter authentication or access controls may slow workflows, but significantly reduce exposure. Joint incident-management and breach-notification protocols with vendors reflect a deliberate balance between continuity, cost management, and regulatory compliance.

The organisational structure is further supported by the Data Protection Office (DPO). Its responsibilities include informing and advising various internal departments on their data protection obligations, assisting in the supervision of regulatory compliance, and serving as a point of contact for stakeholders, both data subjects and the supervisory authority, on all privacy-related matters.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Financial losses, reputational risks, and regulatory sanctions.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

GUEST FOOD SAFETY RISK

Risk Description

Current and anticipated impact on business model and value chain

Affects the business model by increasing the need for operational controls, consistent staff training, and tighter oversight of food handling, preparation, and labelling processes. Any failure in these areas can lead to guest harm, legal exposure, regulatory breaches, and reputational damage, potentially disrupting F&B operations and requiring immediate corrective action.

The risk is concentrated in areas directly involved in food handling, preparation, storage, and service delivery. This includes resort-level F&B outlets, kitchens, buffets, bars, and all points where food is received, stored, or served to guests. Supplier operations are also a key focus, as ingredient quality, allergen controls, and handling standards directly influence downstream safety. Additionally, the risk extends to staff roles responsible for food preparation, preventing cross-contamination, and communicating dietary information to guests. Certain areas within the value chain may present elevated exposure to operational and compliance risks, which could contribute to food safety incidents if not adequately managed.

Current Financial Impact

None

Strategy (changes to the business model and mitigation strategies)

The strategy focuses on maintaining high standards of food safety and allergen control to prevent guest harm, legal exposure, and reputational damage. This includes

- Internal Quality and Safety Audits:
  Sustaining HACCP, ISO 22000, or FSSC 22000 frameworks, strengthening internal controls, and allocating additional resources for audits, training, and compliance monitoring. The strategy prioritises robust preparedness procedures, supplier assurance mechanisms, and enhanced traceability to ensure food integrity across the value chain.
- The entity has implemented structured preparedness controls, including incident-response procedures, routine internal audits, and enhanced hygiene protocols across F&B operations. These measures collectively enhance readiness, reduce operational vulnerabilities, and improve compliance with food-safety standards.
- Supply Chain Quality Assurance:
  Supplier assurance has been strengthened through specification requirements, audit programmes, and certification checks. Traceability has been improved through better documentation, supplier oversight, and corrective-action commitments.
- Employee Training and Capacity Building:
  A continuous training programme for food handlers. A Compliance Officer has been appointed for each property and engages with food handlers and suppliers.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Financial losses, investor sentiments can affect the cost of capital.

BIODIVERSITY DRIVEN DEMAND RISK

Risk Description

Current and anticipated impact on business model and value chain

Risk of reduced business demand due to ecosystem- and biodiversity-related exposure in ecologically sensitive areas from extreme climate events (incl. coral reef and marine ecosystem health in the Maldives; wildlife-based Tourism in Sri Lanka's dry zone parks). Please refer to page 85 for the proximity of our properties to the protected areas.

Continued ecosystem decline could reduce long-term visitor demand and weaken experience-based revenue streams. This risk remains concentrated in Maldives marine environments, Sri Lankan eco-sensitive destinations, and itinerary-dependent excursion properties, where natural assets underpin guest experiences.

Current Financial Impact

None

Strategy (changes to the business model and mitigation strategies)

The strategy focuses on sustaining long-term destination appeal by strengthening biodiversity stewardship and adapting guest experiences to reduce pressure on sensitive ecosystems.

Decision-making prioritises nature-positive site practices, partnerships with authorities and communities, and diversification of experiences to minimise reliance on vulnerable ecosystems such as reefs and protected wildlife areas. This ensures that nature-linked revenue streams remain resilient as ecosystems face increasing environmental stress.

Progress includes implementing nature-positive practices at the site level, beginning experience diversification to reduce pressure on high-impact natural sites, and integrating guest awareness initiatives. The organisation has also engaged with authorities and communities on conservation measures and strengthened partnerships for both marine and land-based ecosystem protection, including in the Maldives. These efforts support current demand while building the foundations for longer-term destination resilience.

a) In 2025/26, a biodiversity assessment was conducted across all our Maldivian properties. Based on these assessments, properties have developed action plans to increase biodiversity while conserving the plant and animal species already present

b) Coral restoration project at Cinnamon Bey Beruwala

c) Ocean Sprout Marine Biology Awareness Programme

Please see pages 80 to 107 in the Planet section.

Trade-offs arise from balancing the protection of fragile ecosystems with the need to sustain high-value guest experiences. Diversifying or modifying excursions, restricting access to sensitive areas, and prioritising conservation work may reduce immediate tourism throughput. However, these decisions ensure long-term ecosystem viability, preventing deeper revenue erosion that would result from environmental decline.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Reduced revenue from diminished guest experience, lower destination attractiveness.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

TALENT RETENTION /SKILLS AVAILABILITY RISK

Risk Description

Current and anticipated impact on business model and value chain

Service inconsistency and rising recruitment and training costs stem from skill shortages and turnover, affecting day-to-day service delivery within hotels. The immediate impact is concentrated within the value chain's own activities, especially in front-line and guest-facing service roles.

Increasing labour scarcity may elevate long-term cost structures and heighten operational fragility, making it harder to sustain service standards. The risk continues to be concentrated across all resorts and critical operational departments, where specialised hospitality capabilities are essential.

Current Financial Impact

High operational cost

Strategy (changes to the business model and mitigation strategies)

Our Growth response is anchored in building capability and protecting continuity, strengthening the talent pipeline, creating an environment where people stay, thrive and perform, and reinforcing governance to reduce structural exposure to workforce instability. Decision-making prioritises workforce development, targeted training investments, and retention-oriented employment practices in critical departments and service roles. Talent considerations are embedded into operational planning to stabilise service delivery, protect guest experience, and manage cost volatility associated with labour market constraints.

Our people strategy is formulated around four pillars.

- Develop our new Colleague Value Proposition
- Enhance managerial capabilities and technical skills.
- Develop future leaders
- Build talent pipelines

Please see pages 61 to 79 in the People section.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Increase in operational cost.

NATURE-LINKED DEMAND RESILIENCE (BIODIVERSITY & ECOSYSTEM STEWARDSHIP)

Opportunity

Nature-based experiences as a differentiator for luxury and resort properties; conservation partnerships strengthening community relationships and social licence to operate

Current Financial Impact

Some of the properties attract rate premiums and higher revenue

Business Model and Value Chain

Existing conservation partnerships and ecosystem stewardship initiatives help sustain demand for nature-based activities and destinations. This opportunity is particularly strong in Maldives reef environments, Sri Lankan eco-sensitive zones, and segments of the value chain driven by excursions. Enhancing biodiversity conservation and guest engagement will bolster long-term demand resilience and safeguard valuable natural assets. Benefits will mainly be seen in marine, wildlife, and community-based tourism, supporting the license to operate and strengthening brand reputation.

The organisation's strategy aims to maintain long-term destination appeal by strengthening biodiversity protection and reducing reliance on vulnerable attractions such as reefs, lagoons, and wildlife corridors. Decision-making emphasises nature-friendly site practices, diversification of experiences, and collaboration with authorities and local communities to safeguard ecosystems. This includes adapting activities to lessen pressure on sensitive environments and ensuring that revenue from nature-dependent sources remains stable.

Achievements include implementing nature-positive practices at each location and diversifying experiences to distribute visitor impact more sustainably. Guest awareness programs have been introduced, and the organisation collaborates with authorities and local communities on conservation initiatives. Partnerships in marine and land conservation, such as those in the Maldives, are actively helping to protect endangered species and preserve high-value natural assets critical to guest experiences.

Please see pages 80 to 107 in the Planet section.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Rate premiums, additional revenue channel, enhanced brand positioning, enhanced local stakeholder support, and access to green funding.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

WATER SECURITY & WATER NEUTRALITY

Opportunity

Water-saving measures, alternative sourcing, and adherence to international standards help manage costs and operational continuity, especially in water-stressed areas.

Improved efficiency (sub-metering, leak detection, reuse) and long-term investments in water security reduce cost volatility and operational vulnerability. This opportunity focuses on water-scarce regions and desalination-dependent island properties, supporting greater operational stability and stronger sustainability credentials.

This opportunity is concentrated in own operations with high water dependency, such as Maldivian RO desalination systems and Sri Lankan water-stressed properties, and within the value chain's midstream hotel operations, where water use is highest.

Subject to feasibility assessments, water-neutrality-oriented activities may extend to replenishment or restorative initiatives involving surrounding water bodies and local communities.

Current Financial Impact

None

Strategy (Current and anticipated impact on business model and value chain)

The strategy aims to strengthen water security and move toward water neutrality by prioritising efficiency measures, sub-metering, leak detection, reuse optimisation, and resilient sourcing. Decision-making is shaped around reducing operational vulnerability in water-stressed Sri Lankan regions and desalination-dependent Maldivian properties. This involves planning for water system redesign where necessary and embedding water-efficiency investments in long-term capex planning.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Maintaining the operational costs and access to green funding

RENEWABLE ENERGY TRANSITION

Opportunity

Hotel group's operations have high energy demand, making energy costs a key driver of operating margins. Expanding renewable energy adoption, supported by improved energy management and Scope 1 and Scope 2 decarbonisation efforts, creates an opportunity to lower energy costs and reduce exposure to tariff volatility and grid disruptions.

Over time, increasing the share of renewable and lower carbon energy sources is expected to support more stable operating margins, lower emissions intensity, and enhance long term competitiveness.

This opportunity is concentrated in the own activities of the value chain, particularly within energy intensive systems such as HVAC, lighting, kitchens, laundry operations, hot water systems, and backup power infrastructure, across Sri Lankan and Maldivian properties.

Current Financial Impact

None

Strategy

Current and anticipated impact on business model and value chain

The strategy focuses on transitioning toward a lower-carbon operating model by expanding renewable energy adoption and strengthening energy management practices. Decision making prioritises initiatives that reduce long term energy costs and lower Scope 1 and Scope 2 emissions intensity. Progress includes renewable energy feasibility assessments, phased deployment at suitable sites, and ongoing improvements in energy management practices. Energy consumption and emissions intensity are monitored to identify priority opportunities.

Anticipated Financial Impact (financial position, financial performance, cash flows, and cost of capital)

Improve operating margins and access to green funding

Climate Resilience

During the current reporting year, the entity did not conduct a climate-related scenario analysis. Accordingly, the entity is not providing climate-resilience disclosures based on scenario analysis for this reporting period.

Transition Plan

The company currently lacks a formal climate-related transition plan, and no related assumptions or dependencies have been developed. The importance of such planning is acknowledged, and an appropriate transition plan will be considered in the future.

PROCESS AND POLICIES USED BY THE ENTITY

The hotel group has established a comprehensive Enterprise Risk Management (ERM) framework to ensure robust processes for risk identification, assessment, and mitigation. Climate-related risks and opportunities deemed material were included in the quarterly Audit Committee agenda, where they were formally presented and reviewed. These risks are now fully integrated into the Company's broader risk management systems and are assessed with the same rigour as operational, financial, and compliance risks.

To ensure comprehensive coverage, the hotel group conducted a detailed mapping of each stage of its value chain and a structured assessment of sustainability- and climate-related risks and opportunities, drawing on input from relevant internal and external stakeholders.

Process for Climate-Related Risks

The Hotel group's processes for identifying, assessing, prioritising, and monitoring sustainability and climate-related risks and opportunities are carried out within an integrated Enterprise Risk Management Framework (ERMF). This framework is applied consistently across the organisation and is aligned with the Hotels Group risk assessment methodology and governance structure (see Risk Management Report on Page 46).

Sustainability and climate-related risks are embedded within the Company's broader risk governance structure rather than managed in isolation. This ensures that climate and sustainability considerations are evaluated alongside strategic, operational, financial, and compliance risks.

Nature, Likelihood and Magnitude

The Group assesses the nature, likelihood, and magnitude of sustainability and climate related risks using a structured and standardised risk assessment methodology. This is applied on a qualitative basis consistently across business segments and value-chain activities and is integrated within the ERM framework.

The nature of risk is identified through detailed risk descriptions that link the potential risk events to specific operational exposures, arising from broader sustainability impacts and dependencies on externalities. This includes consideration of acute and chronic physical climate risks, transition-related regulatory, market, technology or reputational, and social and environmental dependencies across the value chain.

The likelihood of occurrence is evaluated using a structured qualitative scoring scale, informed by management judgement, historical incident experience, climate-related factors, external conditions, and the effectiveness of existing mitigation measures implemented across the Group.

The magnitude of impact is qualitatively assessed Severity assessments include financial, operational, environmental, regulatory, and reputational dimensions. A net risk rating is derived by combining the assessed likelihood and severity scores, ensuring comparability across diverse risk types and enabling prioritisation within the ERM framework.

This integrated assessment approach ensures that the Group's evaluation of risk effects is robust, forward-looking, and decision-useful, capturing both financial and non-financial dimensions while remaining aligned with the Group's governance, sustainability and risk management frameworks, its risk appetite, and strategic priorities.

The Group Management Committees and Group Executive Committee have reviewed the value chain mapping process used to identify climate-related risks and opportunities at each stage of the business value chain. During these reviews, the likelihood and impact of each risk and opportunity were assessed qualitatively, ensuring that climate-related considerations were incorporated consistently throughout the assessment process.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Natural Disasters	• Natural disasters, and acute physical risks of climate change impacting operations	Revenue Loss Disruption to operations Occupational Health and Safety incidents	Scale of Loss of revenue, complete disruption to operations of a few hours to few days, minor health and safety incidents to staff to major incidents with fatalities.	Asset resilience programmes; insurance coverage; business continuity planning, early warning systems and weather monitoring Emergency preparedness planning and evacuation drills; engagement with disaster management authorities	Asset downtime; insured losses; extreme weather disruption incidents
Macroeconomic and Political Environment	• Geopolitical unrest • Pandemic risk • Political Instability, breakdown of law and order, corruption, civil unrest and riots • Macroeconomic instability impacting planned business outcomes	Revenue Loss Disruption to operations	Scale of Loss of revenue, complete disruption to operations for a few hours to a few days	Central treasury controls; hedging strategies; credit management policies; capital planning processes Monitoring of political environment; business continuity planning; adequate insurance coverage; emergency preparedness plans; compliance with public health authority guidelines	Liquidity ratios; Net Debt/EBITDA
Regulatory Environment and Operational Integrity	• Ambiguous and outdated and restrictive laws and regulations, ad hoc changes in legislation and corruption • Risk of breakdown of internal controls	Revenue loss Management time expended reputation loss regulatory and legal action	Scale of Loss of revenue and profitability, management time expended, customer complaints, negative social media reviews, widespread negative reviews, warnings, fines, temporary suspension of license, revocation of license.	Regulatory monitoring; compliance monitoring frameworks; internal audit; whistleblowing policy Internal audits; management supervision and regular compliance checks; insurance policy and fidelity cover; spot checks and internal audit procedures	Regulatory compliance metrics, audit findings; complaint trends; Compliance assessment

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Financial Exposure, in Particular Exchange Rate and Interest Rate Volatility	• Volatile and high interest rates • Financial risks – credit risk & liquidity risk	Liquidity exposure	Impact on cash flows, solvency, cost of capital, covenant compliance, and financial volatility.	Central treasury controls; hedging strategies; credit management policies; capital planning processes Market monitoring and regular Group Treasury engagement; credit control and liquidity management; capex prioritisation aligned with cash flow and ROI; internal audit and governance frameworks	Liquidity ratios; Net Debt/ EBITDA;
Environment and Biodiversity	• Energy cost and transition risk - including energy volatility and low carbon transition with Climate Change Impact • Water scarcity and deterioration of water quality • Challenges in waste disposal and meeting EPR requirements • Risk of accidental environmental pollution events (air, water, soil emissions) • Environment Pollution due to process or system failure • Waste and wastewater management risk	Revenue loss Disruption to operations Reputation loss Regulatory and legal action	Scale of Loss of revenue and profitability, Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license Escalating energy costs and increased Scope 1 & 2 emissions; operational and compliance impacts from waste collection disruptions; potential capital expenditure for wastewater treatment infrastructure	Transition roadmap; regulatory monitoring; capex reallocation to low-carbon initiatives; Sustainability governance and management framework; supplier sustainability guidelines; community engagement programmes Adherence to environmental legal frameworks and certifications (CEA/EPL/ ISO 14001:2015); KPI tracking on waste, water and carbon footprint; waste management through approved collectors; integrated energy efficiency strategy including real-time energy monitoring; waste collector contract diversification; regulatory monitoring for wastewater treatment requirements	Regulatory compliance metrics Scope 1–2 emissions; supplier sustainability audits; waste and water performance; social impact indicators Waste collection continuity metrics; wastewater regulatory compliance tracking; energy cost variance tracking

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Global Competitiveness and Portfolio Balance	• Performance volatility due to portfolio imbalance • Inability to keep pace with globalisation and adoption of new technology • Consumer behaviour • Market competition	Revenue loss Reputation loss	Scale of Loss of revenue and profitability, customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license	Strategic review committees; Capital planning processes; Due-diligence frameworks Competitor monitoring and pricing strategy reviews; periodic refurbishments and product upgrades; technology audits and innovation budgeting; revenue management and customer engagement initiatives	Market share; NPS; integration scorecards; Digital adoption KPIs
Human Resources, Talent Management and Employee Health and Safety	• Talent retention and skills availability risk - Attrition and inability to retain talent • Insufficient competence and skills in staff • Industrial unrest and trade union action • Risk of occupational health and safety incidents • Employee and Guest Health and Safety including food poisoning and guest food safety risk • Sexual harassment at workplace • Labour disputes	Staff impacts such as morale, recruitment and attrition levels	Impact to staff morale, sustained high attrition levels, staff complaints, poor staff engagement scores, Trade union action Service quality decline, increased recruitment and training costs; guest harm, legal liabilities and regulatory breaches from food safety failures	Talent attraction/retention initiatives; strengthened training and capability-building programmes; workforce development plans; integrated into ERM Development training programmes and cross-exposure opportunities; employee feedback surveys and open-door grievance handling; fire life safety systems and evacuation procedures; workplace safety inspections and ISO 45001:2018 certification; sexual harassment policy and whistleblowing mechanisms; food safety certifications (ISO 22000: 2018) and sanitation controls; allergen management procedures	Employee turnover; absenteeism; average training hours and effectiveness; retention metrics Service quality scores; recruitment cost metrics; food safety compliance metrics; allergen incident tracking

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Information Technology	• Data privacy and cybersecurity risk • Unauthorised access to critical assets • Loss of data due to IT system failure	Revenue loss Media mentions Reputation loss Regulatory and legal action	Scale of loss of revenue, media inquiries to extensive negative media coverage Unauthorised access and system breaches, legal and regulatory consequences, reputational harm and erosion of guest trust	Data protection procedures; IT infrastructure controls; cyber security frameworks Multi-factor authentication and role-based access controls; regular system patching and vulnerability management; IT business continuity and disaster recovery plans; continuous threat monitoring and antivirus maintenance	Compliance assessment outcomes; data privacy audit results; cyber incident metrics
Reputation and Brand Image	• Risk of non-adherence to set processes by staff • Unethical and malicious media coverage • Negative public and stakeholder perception • Poor management of critical incidents	Revenue Loss Media mentions Reputation loss	Scale of Loss of revenue, media inquiries to extensive negative media coverage, customer complaints, negative social media reviews, widespread negative reviews	Quality management systems; operational QC controls; compliance monitoring frameworks; Strategic review committees; due diligence frameworks Continuous social media monitoring; maintenance of brand and health and safety standards; associate satisfaction programmes	Product defect rates; audit findings; complaint trends; compliance non-conformance; Market share; NPS; integration scorecards

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Supply Chain Disruptions	• Environmental, labour and human rights violations by supply chain partners • Disruption to Supply Chain due to acute physical climate events • Supply chain issues / Supply Chain shortages • Quality, environmental & social performance & health & safety of suppliers • Disruption to Business Due to Fuel Supply Limitations and Interruptions to Continuous Grid Electricity	Revenue Loss Disruption to operations Reputation loss	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews	Due-diligence frameworks; supplier sustainability guidelines; Quality management systems; compliance monitoring frameworks Supplier diversification and backup supplier arrangements; supplier audits and code of conduct communication; fuel buffer stock maintenance and alternate supply sourcing	Supplier sustainability audits; extreme weather disruption incidents; audit findings; complaint trends
Operational Resilience	• Fire-related incidents • LPG Gas Explosion risk causing significant damage to property • Legacy Infrastructure and Equipment Resilience	Revenue Loss Disruption to operations Occupational Health and Safety incidents	Disruption to operations, loss of life/injury, damage to property, hindrance to business continuity	Comprehensive BCP reviewed quarterly; adequate insurance coverage; fire detection and fighting equipment; regular fire drills and audits; physical security enhancements and 24/7 surveillance; preventive maintenance programmes and regular infrastructure audits	Asset downtime; incident reports; BCP test outcomes; insurance claims

Prioritisation of Climate – related Risks

Climate-related risks are integrated into the Group's ERM framework and prioritised based on their impact on operational continuity, safety, compliance, financial performance, reputation and likelihood of occurrence. Other sustainability-related risks were also identified in a similar manner, by applying the same parameters of likelihood and impact severity on risks identified during the value chain assessments.

Acute physical risks are prioritised alongside critical operational and supply chain risks due to their potential to disrupt inbound logistics, affect supplier performance, and cause delays in production or service delivery. Physical risks to assets are treated as key operational and safety-related risks given their potential to result in asset damage, operational downtime, and employee safety implications. Transition risk for energy and lower-carbon alternatives has been considered within the Group's climate risk exposure due to potential impacts from energy supply and price volatility, and the need for energy-efficient investments and low-carbon alternatives. Workforce-related risks linked to climate and sustainability factors are managed as key people-related operational risks due to their influence on talent availability, capability building, and service quality.

Monitoring Climate – related Risks

The Group monitors climate-related risks by tracking operational, regulatory, and environmental indicators across its businesses. Monitoring activities include regular reviews of energy consumption and emissions performance, together with continuous observation of regulatory developments and evolving stakeholder expectations relating to sustainability and climate action. Climate-related physical risk indicators, such as extreme weather alerts and asset condition assessments, are also monitored across relevant operations.

These risks are reported through established governance structures, in line with the sustainability governance and management frameworks mentioned in the Corporate Governance Commentary.

While monitoring is currently focused on operational, compliance-based, and resource-efficiency metrics, the Group is looking to strengthen its processes by incorporating more forward-looking tools, including enhanced climate-risk analytics, scenario analysis, and assessments of climate impacts across the value chain. These developments will further improve the Group's ability to anticipate, respond to, and manage climate-related risks.

METRICS AND TARGETS

The applicable SASB industry standard for the Hotel Group is Hotels & Lodging, which covers activities across hotel operations, guest services, and management. Below are the relevant KPIs aligned to the standard.

Topic	Metric	Code	Unit of Measure	Metrics
Energy Management	Total energy consumed	SV-HL-130a.1	Gigajoules (GJ)	298,091.26
	Percentage grid electricity		Percentage (%)	26.01
	Percentage renewable		Percentage (%)	0.65
Water Management	Total water withdrawn	SV-HL-140a.1	Thousand cubic metres (m^3)	705,832.34
	Total water consumed		Thousand cubic metres (m^3)	141,166.47
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	9

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

Topic	Metric	Code	Unit of Measure	Metrics
Ecological Impacts	Description of environmental management policies and practices to preserve ecosystem services	SV-HL-160a.2	N/A	Cinnamon Hotels & Resorts maintains an environmental management framework guided by Environmental, Biodiversity, Sustainability, and Wildlife Interaction policies, aligned with ISO 14001 principles. These policies apply across operations to minimise resource use, pollution, and waste, while protecting habitats, restoring ecosystems, and supporting responsible sourcing. Site-level biodiversity assessments and action plans, along with controls on wildlife interaction, help preserve ecosystem services including water quality, climate regulation, and cultural and ecological value. Refer to the Biodiversity section for further information on initiatives – Page 82
Labour Practices	Voluntary turnover rate for lodging facility employees	SV-HL-310a.1	Percentage (%)	24.1
	Involuntary turnover rate for lodging facility employees		Percentage (%)	9.7
Labour Practices	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	SV-HL-310a.2	Presentation currency (Rs.)	290,025.00
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	Relates to the settlement of outstanding statutory employee benefit obligations, specifically unpaid ETF/ EPF contributions.
	Average hourly wage	SV-HL-310a.3	Presentation currency	Sri Lanka – LKR 233.05 Maldives – US$ 46
	percentage of lodging facility employees earning minimum wage, by region		Percentage (%)	26.7

Topic	Metric	Code	Unit of Measure	Metrics
Climate Change Adaptation	Description of policies and programmes to prevent worker harassment	SV-HL-310a.4	N/A	A dedicated Policy Against Sexual Harassment sets out a clear zero tolerance standard. Complaints are handled confidentially, acted upon immediately, and may result in disciplinary action up to and including termination. The policy defines sexual harassment broadly, covering physical, verbal, and non verbal conduct, and provides both formal and informal channels for lodging complaints, including access to an external ombudsman, enabling employees to report concerns safely and without fear of retaliation. Regular annual refresher training ensures that every employee understands the policy and their responsibilities. Programmes to prevent harassment also include employee awareness and empowerment training, conducted with Group HR and external specialists, focusing on respectful behaviour, recognising harassment, and building confidence to speak up. Additionally, Cinnamon invests in wellbeing initiatives and employee assistance programmes, which help address sensitive issues such as bullying and harassment in a supportive environment. Refer the Diversity, Equity and Inclusion for further information – Page 71
	Number of lodging facilities located in 100-year flood zones	SV-HL-450a.1	Number	11

Activity Metric	Code	Unit of Measure	Metrics
Number of available room-nights	SV-HL-000.A	Number	611,670
Average occupancy rate	SV-HL-000.B	Rate	74.61%
Total area of lodging facilities	SV-HL-000.C	Square metres (m²)	243,990
Number of lodging facilities	SV-HL-000.D	Number,	13
Percentage that are:	SV-HL-000.D	Percentage (%)	
(1) managed,			15
(2) owned and leased,			85
(3) franchised			-

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES, AND THEIR INTERACTIONS WITH THE STRATEGY AND THE BUSINESS MODEL

CROSS INDUSTRY METRICS

GHG emissions (tCO_2e)

Greenhouse gas emissions, disaggregated by Scope 1, Scope 2, and Scope 3, are presented in the Planet Section (refer page 99).

Climate-related financial exposure

The Hotels Group has identified exposure to transition risks concentrated in energy-intensive hotel operations and physical risks across all hotels given Sri Lanka's and the Maldive's tropical climate and susceptibility to extreme weather. As the Group is in the early stages of developing its climate risk quantification capabilities, the percentage of assets and activities subject to these risks has not yet been quantified. The Group intends to develop quantitative assessments as its data systems and analytical capabilities mature.

Internal carbon pricing

The Hotels Group has not implemented an internal carbon pricing mechanism and does not currently apply a carbon price in decision-making or capital allocation. The JKH Group continues to monitor relevant regulatory developments in Sri Lanka to determine the appropriate timing for adoption. A price per metric tonne of GHG emissions is therefore not applicable for the current reporting period.

Climate-linked executive remuneration

The Hotels Group has not yet integrated climate-related KPIs into executive performance evaluation or remuneration frameworks. As permitted under SLFRS S1 transition reliefs, no climate-linked remuneration metrics have been introduced for the current reporting period. The Board, through the HRCC, will evaluate integration of such metrics once the JKH Group's climate ambitions and transition pathways are finalised. The proportion of executive remuneration linked to climate-related considerations is nil for the current reporting period.

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES
The specific principles, bases, conventions, rules and practices an enterprise adopts in preparing and presenting financial statements.

ACCRUAL BASIS
Recording revenues and expenses in the period in which they are earned or incurred, regardless of whether cash is received or disbursed.

ASSET TURNOVER
Revenue divided by average total assets.

AVERAGE ROOM RATE (ARR)
Room revenue divided by the number of room nights sold.

Capital expenditure purchases of property, plant and equipment, intangible assets.

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and debt including lease liabilities.

CONTINGENT LIABILITIES
A condition or situation existing as of the date of the report due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or non-occurrence of one or more future events or,

2. A probable outflow of economic resources is not expected or,

3. It is unable to be measured with sufficient reliability.

CURRENT RATIO
Current assets divided by current liabilities.

CRRO
Climate-Related Risks and Opportunities

DEBT/EQUITY RATIO
Debt excluding lease liabilities, as a percentage of shareholders' funds and non-controlling interest.

DIVIDEND PAYOUT RATIO
Dividend paid as a percentage of Company profits, adjusted for non-cash gain items.

DIVIDEND YIELD
Dividends adjusted for changes in the number of shares in issue as a percentage of the share price (diluted) at the end of the period.

EARNINGS PER SHARE (BASIC)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

EBIT
Earnings before interest expense and tax (includes other operating income). Note that EBIT includes interest income, fair value gains and losses on investment property, depreciation and amortisation, and share of results of equity accounted investees, but excludes exchange gains or losses.

EBIT MARGIN
EBIT divided by turnover, inclusive of the share of results of equity accounted investees.

EBITDA
Earnings before interest expense, tax, depreciation and amortisation (includes other operating income). Note that EBITDA includes interest income, fair value gains and losses on investment property and share of results of equity accounted investees, but excludes exchange.

EFFECTIVE TAX RATE
Tax expense divided by profit before tax.

ENTERPRISE VALUE (EV)
Market capitalisation plus net debt/(net cash).

EPS GROWTH
Percentage of the increase in the EPS over the previous financial year.

EQUITY METHOD
A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investors' share of net assets of the investee. The income statement of the investor includes the investor's share of the profit or loss of the investee.

INTEREST COVER
Consolidated profit before interest and tax, over finance costs.

NET ASSETS
Total assets minus current liabilities, long-term liabilities and non-controlling interests.

NET ASSETS PER SHARE
Net assets as at a particular financial year end divided by the number of shares in issue as at the end of the financial year .

NET DEBT/(CASH)
Total debt minus cash in hand and at bank and short-term investments.

OCCUPANCY RATE
Rooms occupied by hotel guests expressed as a percentage of available rooms.

PRICE-EARNINGS RATIO
Market price per share (diluted) over diluted earnings per share.

GLOSSARY OF FINANCIAL TERMS

QUICK RATIO

Cash plus short-term investments plus receivables, divided by current liabilities.

RETURN ON ASSETS

Profit after tax divided by the average total assets.

RETURN ON EQUITY (ROE)

Profit attributable to shareholders as a percentage of the average shareholders' funds.

REVENUE MANAGEMENT

The employment of pricing and segment strategies to optimise the revenue generated from the sale of room nights.

REVPAR OR REVENUE PER AVAILABLE ROOM

Room revenue divided by the number of room nights that are available (can be mathematically derived from occupancy rate multiplied by average daily rate).

SHAREHOLDERS' FUNDS

Total of stated capital, other components of equity and revenue reserve.

SRRO

Sustainability-Related Risks and Opportunities

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Created by the Financial Stability Board to improve and increase the reporting of climate-related financial information and to help inform investors and others about the risks they face related to climate change.

TOTAL DEBT

Long and short-term loans, including overdrafts, but excluding lease liabilities. Instances where total debt includes lease liabilities are explicitly mentioned.

TOTAL EQUITY

Shareholders' funds plus non-controlling interest.

WORKING CAPITAL

Current assets minus current liabilities.

GROUP DIRECTORY

SRI LANKA

CEYLON HOLIDAY RESORTS LTD

(PB 40) - 99.39%
Owner of Cinnamon Bentota Beach
Incorporated in - 1966
Company operating address - Cinnamon Bentota Beach
Galle Road, Bentota
Registered office address - No. 117, Sir Chittampalam A
Gardiner Mawatha,
Colombo 2
Stated Capital - Rs. 2,845.5 Mn
Contact No. - 034-2275176/266
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

HABARANA LODGE LTD

(PB 38) - 98.35%
Owner of Cinnamon Lodge Habarana
Incorporated in - 1978
Company operating address - Cinnamon Lodge Habarana,
P.O. Box 02, Habarana
Registered office address - No. 117, Sir Chittampalam
A Gardiner Mawatha,
Colombo 02
Stated Capital - Rs. 341.6 Mn
Contact No. - 066-2270011/72
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

HABARANA WALK INN LTD

(PB 33) - 98.77%
Owner of Habarana Village by Cinnamon
Incorporated in - 1973
Company operating address - Habarana Village by
Cinnamon,
P.O. Box 01, Habarana
Registered office address - No. 117, Sir Chittampalam
A Gardiner Mawatha,
Colombo 02
Stated Capital - Rs. 126.4 Mn
Contact No. - 066-2270046/7
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

INTERNATIONAL TOURISTS AND HOTELIERS LTD

(PB 17) - 99.33%
Parent of Beruwala Holiday Resorts (Pvt) Ltd
Incorporated in - 1973
Registered office address- - No. 117, Sir Chittampalam A
Gardiner Mawatha,
Colombo 2
Stated Capital - Rs. 1,939.8 Mn
Contact No. - 011-2306000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

KANDY WALK INN LTD (DISPOSED ON 31 MARCH 2026)

(PB 395) - 98.39%
Owner of Cinnamon Citadel Kandy
Incorporated in - 1979
Company operating address - Cinnamon Citadel Kandy,
124, Srimath Kuda Ratwatte
Mawatha, Kandy
Registered office address - No. 117, Sir Chittampalam
A Gardiner Mawatha,
Colombo 02
Stated Capital - Rs.115.2 Mn
Contact No. - 081-2234365/6
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

RAJAWELLA HOTELS COMPANY LTD

(PB 92 - 100%
Incorporated in - 1992
Registered office address - No. 117, Sir Chittampalam
A Gardiner Mawatha,
Colombo 02
Stated Capital - Rs. 39.6 Mn
Contact No. - 011-2306000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

GROUP DIRECTORY

TRINCO WALK INN LTD

(PB 168)	- 100%
Owner of real estate in Trincomalee	
Incorporated in	- 1984
Registered office address	- No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital	- Rs. 119.9 Mn
Contact No.	- 011-2306000
Directors	- N N Mawilmada M H Singhawansa C L P Gunawardane

RESORT HOTELS LTD

(PB 193)	- 99.46%
Owner of real estate in Nilaveli	
Incorporated in	- 1978
Registered office address	- No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital	- Rs. 19.6 Mn
Contact No.	- 011-2306000
Directors	- N N Mawilmada M H Singhawansa C L P Gunawardane

YALA VILLAGE (PVT) LTD

(PV 2868)	- 93.78%
Owner of Cinnamon Wild Yala	
Incorporated in	- 1999
Company operating address	- Cinnamon Wild Yala, P.O. Box 01, Kirinda, Tissamaharama
Registered office address	- No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital	- Rs. 319.4 Mn
Contact No.	- 047- 2239449/52
Directors	- M A Perera - Chairperson J G A Cooray N N Mawilmada M H Singhawansa C L P Gunawardane J A Davis

YALA ADVENTURE PARK (PVT) LTD

(PV 15139)	- 87.11%
Owner of real estate in Yala	
Incorporated in	- 2006
Registered office address	- No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital	- s. 43.5 Mn
Contact No.	- 047- 2239449/52
Directors	- M A Perera J G A Cooray N N Mawilmada M H Singhawansa C L P Gunawardane

WIRAWILA WALK INN LTD

(PB 89)	- 100%
Owner of real estate in Wirawila	
Incorporated in	- 1994
Registered office address	- No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital	- Rs. 25.3 Mn
Contact No.	- 011-2306000
Directors	- N N Mawilmada M H Singhawansa C L P Gunawardane

BERUWALA HOLIDAY RESORTS (PVT) LTD

(PV 69678)	- 99.33%
Owner of Cinnamon Bey Beruwala	
Incorporated in	- 2009
Company operating address	- Cinnamon Bey Beruwala, Moragalla, Beruwala
Registered office address	- No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital	- Rs. 2,338.2 Mn
Contact No.	- 034-2297000
Directors	- N N Mawilmada M H Singhawansa C L P Gunawardane

TRINCO HOLIDAY RESORTS (PVT) LTD

(PV 69908) - 100%

Owner of Trinco Blu by Cinnamon

Incorporated in - 2009
Company operating address - Trinco Blu by Cinnamon, Sambativu, Uppuvelli, Trincomalee
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital - Rs. 357 Mn
Contact No - 026 222 7532/1611
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

HIKKADUWA HOLIDAY RESORTS (PVT) LTD

(PV 71747) - 99.39%

Owner of Hikka Tranz by Cinnamon

Incorporated in - 2010
Company operating address - Hikka Tranz by Cinnamon, No. 01, Galle Road, Hikkaduwa
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2
Stated Capital - Rs. 1,062.6 Mn
Contact No. - 091-2278000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

AHUNGALLA HOLIDAY RESORTS (PVT) LTD

(PV 85046) - 100%

Owner of real estate in Ahungalla

Incorporated in - 2012
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital - Rs. 139.9 Mn
Contact No. - 011-2306000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

NUWARA ELIYA HOLIDAY RESORTS (PVT) LTD

(PV 98357) - 100%
Incorporated in - 2014
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital - Rs. 1.2 Mn
Contact No. - 011-2306000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

CINNAMON HOLIDAYS (PVT) LTD

(PV 107427) - 100%

Inbound and outbound tour operator

Incorporated in - 2015
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital - Rs. 0.2 Mn
Contact No. - 011-2306000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

SENTINEL REALTY (PVT) LTD

(PV 80706) - 50%

Owner of real estate in Vaakarai and Kallarawa

Incorporated in - 2011
Registered office address - No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02
Stated Capital - Rs. 150.5 Mn
Contact No. - 011-2306000
Directors - B A B Goonetilleke - Chairperson
N N Mawilmada
K Balasundaram
C L P Gunawardane

GROUP DIRECTORY

INDRA HOTELS & RESORTS KANDY (PVT) LTD

(PV 124247) - 40%
Owner of Kandy Myst by Cinnamon
Incorporated in - 2017
Registered office address - No. 273, Katugastota Road, Kandy
Stated Capital - Rs. 4,434.4 Mn
Contact No. - 081 2042000
Directors - Y S H I K Silva - Chairperson
Y S H R S Silva
Y S H H K Silva
N N Mawilmada
C L P Gunawardane

MALDIVES

JOHN KEELLS MALDIVIAN RESORTS (PVT) LTD

(C-208/96) - 100%
Incorporated in - 1996
Registered office address - Unit 400, 4th Floor, G. Kelam, Hithaffinivaa Magu, Male, Republic of Maldives
Stated Capital - USD 38.9 Mn
Contact No. - +9603336000
Directors - J G A Cooray
N N Mawilmada
M H Singhawansa
C L P Gunawardane

TRAVEL CLUB (PVT) LTD

(C-121/92) - 100%
Owner of Ellaidhoo Maldives by Cinnamon
Incorporated in - 1992
Company operating address - Ellaidhoo Maldives by Cinnamon
North Ari Atoll,
Republic of Maldives
Registered office address - Unit 400, 4th Floor, G. Kelam, Hithaffinivaa Magu, Male, Republic of Maldives
Stated Capital - USD 2.5 Mn
Contact No. - +9603336000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

TRANQUILITY (PVT) LTD

(C-344/2004) - 100%
Owner of "Cinnamon Dhonveli Maldives" and "Cinnamon Velifushi Maldives"
Incorporated in - 2004
Company operating address - Cinnamon Dhonveli Maldives, North Malé Atoll, Republic of Maldives
Cinnamon Velifushi Maldives, Vaavu Atoll, Republic of Maldives
Registered office address - Unit 400, 4th Floor, G. Kelam, Hithaffinivaa Magu, Male, Republic of Maldives
Stated Capital - USD 5 Mn
Contact No. - +9603336000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

FANTASEA WORLD INVESTMENTS (PVT) LTD

(C-143/97) - 100%
Owner of Cinnamon Hakuraa Huraa Maldives
Incorporated in - 1997
Company operating address - Cinnamon Hakuraa Huraa Maldives, Meemu Atoll, Republic of Maldives
Registered office address - Unit 400, 4th Floor, G. Kelam, Hithaffinivaa Magu, Male, Republic of Maldives
Stated Capital - USD 5 Mn
Contact No. - +9603336000
Directors - N N Mawilmada
M H Singhawansa
C L P Gunawardane

NOTES

NOTICE OF MEETING

Notice is hereby given that the Forty-Seventh Annual General Meeting ('Meeting') of John Keells Hotels PLC (the 'Company') will be held as a virtual meeting on Thursday, 25 June 2026 at 10.00 a.m.

The business to be brought before the Meeting will be to:

1. Read the Notice convening the Meeting.
2. receive and consider the Annual Report and Financial Statements for the Financial Year ended 31 March 2026 with the Report of the Auditors thereon.
3. Re-elect as a Director, Dr K A Gunasekera, who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Dr K A Gunasekera is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Mr N N Mawilmada, who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr N N Mawilmada is contained in the Board of Directors section of the Annual Report.
5. Re-appoint the Auditors and authorise the Directors to determine their remuneration.
6. Consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of John Keells Hotels PLC for 2025/26 is accessible via:

(1) The Corporate Website – https://www.cinnamonhotels.com/esg/governance

(2) The Colombo Stock Exchange (CSE) – https://www. cse. lk/home/company-info/KHL.N0000/financial

(3) The following QR Code (accessible through mobile devices):

Should Members wish to obtain a hard copy of the Annual Report 2025/26, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person.

By Order of the Board
John Keells Hotels PLC

Keells Consultants (Private) Limited
Secretaries

26 May 2026

NOTES:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors, to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company or forwarded to the email address: keellsconsultants@keells.com not later than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or by corporate representatives. In the event an individual Member and their Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

vii. Instructions as to attending the virtual Meeting are attached.

FORM OF PROXY

I/We ..... of

.....

..... being a member/s of John Keells Hotels PLC hereby appoint

..... of

.....or failing him/her

Mr. Krishan Niraj Jayasekara Balendra	or failing him
Mr. Joseph Gihan Adisha Cooray	or failing him
Mr. Nayana Nadeesha Mawilmada	or failing him
Mr. Mohomed Hishan Singhawansa	or failing him
Dr. Kumudu Abeywickrama Gunasekera	or failing him
Mr. Hasitha Premaratne	or failing him
Ms. Aruni Goonetilleke	

as my/our proxy to represent me/us and vote on my/our behalf at the Forty Seventh Annual General Meeting of the Company to be held on 25 June 2026 at 10.00 a.m., and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter 'X' in the appropriate cage:

	For	Against	Abstained
To re-elect as a Director, Dr K A Gunasekera, who retires in terms of Article 83 of the Articles of Association of the Company.			
To re-elect as a Director, Mr N N Mawilmada, who retires in terms of Article 90 of the Articles of Association of the Company.			
To re-appoint the Auditors and to authorise the Directors to determine their remuneration.			

Signed on this ..... day of.....Two Thousand and Twenty-Six.

.....
Signature/s of Shareholder/s

NOTE:

INSTRUCTIONS AS TO THE COMPLETION OF THE FORM OF PROXY ARE NOTED ON THE REVERSE.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or e-mailed to keellsconsultants@keells.com, no later than 48 hours before the time appointed for the convening of the Meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting.

Please fill in the following details:

Name : .....

Address : .....

.....

Jointly with : .....

Share Folio No : .....

NIC No. : .....

CORPORATE INFORMATION

NAME OF THE COMPANY

John Keells Hotels PLC

LEGAL FORM

Public Limited Liability Company incorporated in Sri Lanka on 1 October 1979

STOCK EXCHANGE LISTING

The issued shares of John Keells Hotels PLC are listed on the Colombo Stock Exchange

COMPANY REGISTRATION NO.

PQ 8

DIRECTORS

K N J Balendra – Chairperson
J G A Cooray
N N Mawilmada
M H Singhawansa
H Premaratne
A Goonetilleke
K A Gunasekera (Dr.)

SECRETARIES AND REGISTRARS

Keells Consultants (Private) Limited
117, Sir Chittampalam A. Gardiner Mawatha
Colombo 2

AUDITORS

Messrs. Ernst & Young
Chartered Accountants
P.O. Box 101
109, Rotunda Towers,
Galle Road, Colombo 03

BANKERS

Bank of Ceylon
Citi Bank N.A.
Commercial Bank PLC
Deutsche Bank A.G
DFCC Bank PLC
Hatton National Bank PLC
Hongkong and Shanghai Banking Corporation
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank PLC

HEAD OFFICE & REGISTERED OFFICE OF THE COMPANY

117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2

Telephone : (94-11) 2421101-15, (94-11) 2306000,
(94-11) 2306666

Facsimile: (94-11) 2439046

E-mail : htlres@keells.com

Web : www.cinnamonhotels.com

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HOTELS & RESORTS