



07 September 2026

Ms. Nilupa Perera

Chief Regulatory Officer

Colombo Stock Exchange

04-01, West Block,

World Trade Centre, Echelon Square,

Colombo 01.

Dear Madam,

THE KANDY HOTELS CO. (1938) PLC - ERRATA NOTICE

We refer to the Annual Report 2025/26, which was uploaded to the CSE website on 31st August 2026.

Subsequent to the publication of the Annual Report, a misstatement was identified in the accounting treatment for the Group's investment in Joint Venture.

This misstatement arose, as result of the Company's Joint Venture undertaking, Suisse Hotel Kandy (Pvt) Ltd (JV), adopting a Revaluation model during the financial year under review, and revaluing its Land and Buildings as of 31st March 2026. Historically, the Group had already reflected the JV's Land and Building at fair value in its Consolidated Financial Statements in order to align with the Group's accounting policies on fair value presentation of Assets.

Consequently, the JV's Land and Building revaluation was effectively recognized twice in the Consolidated Financial Statements, resulting in an overstatement of the carrying value of the investment in the Joint Venture and the related equity reserves.

These amendments do not affect the Group's reported profit after tax, earnings per share, cash flows, or underlying operations for the year ended 31 March 2026. They relate solely to the recognition and presentation of the Group's share of other comprehensive income from the joint venture and the corresponding equity balances.

THE KANDY HOTELS COMAPNY (1938) PLC

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The corrections above has been tabled below.

Page No.	Note / Statement Reference	Description	Published	Adjusted
81	Statement Of Financial Position	Investment in joint venture	1,396,296,332	555,287,926
81	Statement Of Financial Position	Revaluation reserve	8,074,072,098	7,233,063,692
81	Statement Of Financial Position	Net assets per share (Rs.)	14.76	13.65
80	Other Comprehensive Income	Equity - accounted investees - share of change of other comprehensive income	857,838,945	16,830,539
82	Statement Of Changes In Equity	Equity - accounted investees - share of change of other comprehensive income	857,838,945	16,830,539
121	Note 18	Group's share of other comprehensive income for the year	857,838,945	16,830,539
122	Note 18.3	Share of adjustments for uniform accounting policy	1,682,016,809	-
128	Note 26	Group's share of other comprehensive income for the year	857,838,945	16,830,539

The **revised Annual Report** for the year ended 31st March 2026 incorporating the adjustments is enclosed herewith and will be published.

The Board regrets the errors and any inconvenience caused.

Yours faithfully,



Shanika Karunasena,

Director,

The Kandy Hotels Co. (1938) PLC