ANNUAL REPORT 2025 | 2026

BERUWALA RESORTS PLC



THE PALMS

FORT RESORTS

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CORPORATE INFORMATION

NAME OF COMPANY

Beruwala Resorts PLC

STATUS & LEGAL FORM

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka on 23rd July 1974 Under the Companies Ordinance (Cap.145) and re-registered under the Companies Act No. 7 of 2007 on 3rd August 2009.

COMPANY REGISTRATION NO.

PB 1091 PQ

REGISTERED OFFICE

8-5/2, Leyden Bastian Road,
York Arcade Building, Colombo 01.

STOCK EXCHANGE LISTING

The Issued Ordinary Shares of Beruwala Resorts PLC are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.

BOARD OF DIRECTORS

S.D.R. Arudpragasam (Chairman)
S. Rajaratnam
Amrit Rajaratnam
Anushman Rajaratnam
S.B. Perera
J.E.P. Kehelpannala
A.S.G.S. Pieries

SECRETARIES

Corporate Managers & Secretaries (Private) Ltd
8-5/2, Leyden Bastian Road,
York Arcade Building, Colombo 1.

AUDITORS

Messrs B.R. De Silva & Company
Chartered Accountants
22/4, Vijaya Kumaranathunga Mawatha, Colombo 05.

LAWYERS

Julius & Creasy
371, R. A. de Mel Mawatha, Colombo 03.

BANKERS

Cargills Bank PLC
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Bank of Ceylon
Pan Asia Banking Corporation PLC
MCB Bank Ltd.

HOTEL

The Palms
91, 6th Lane, Moragalla, Beruwala.
Tel : 0342-277039, 0342-276043
Fax : 0342-276043
Email : frontoffice@palmsberuwala.com
Web : https://www.thepalmsberuwala.com

SALES & RESERVATION OFFICE

York Hotel Management Services Limited.
8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01.
Tel : 0114-722682, 0112-381644
Fax : 0112-381645
Email : reservations@palmsberuwala.com

NOTICE OF MEETING

NOTICE is hereby given that the FORTY SEVENTH ANNUAL GENERAL MEETING of BERUWALA RESORTS PLC will be held on 21st August 2026 at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo1, for the following purposes :

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026, with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. Sanjeev Rajaratnam who retires in accordance with Articles 84 and 85 of the Articles of Association of the Company.
3. To re-elect as a Director, Mr. Amrit Rajaratnam who retires in accordance with Articles 84 and 85 of the Articles of Association of the Company.
4. To re-elect as a Director, Mr. A.S.G.S. Pieries who was appointed during the year and retires in accordance with Article 91 of the Articles of Association of the Company.
5. To re-appoint Mr. S.D.R. Arudpragasam who is over seventy years of age, as a Director. Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his reappointment. (See Note No.6)
6. To authorize the Directors to determine contributions to Charities.
7. To re-appoint as Auditors, Messrs. B.R. De Silva & Co., Chartered Accountants, and to authorise the Directors to determine their remuneration.

By Order of the Board

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LTD.



Secretaries
24th July 2026
Colombo

Note :

1. A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed with this Report.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company's Secretaries at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty-eight hours before the time fixed for the meeting.
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.
5. Please refer the "Circular to Shareholders" dated 24th July 2026 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
6. The Company has received Special Notice from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr. S.D.R. Arudpragasam who would have attained the age of seventy five years as at the date of the Annual General Meeting, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam".

CHAIRMAN'S REVIEW

It is with a measured sense of pride and candour that I welcome you to the 47th Annual General Meeting of Beruwala Resorts PLC. On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31st March 2026.

The year under review was one of contrasting fortunes. It began with outstanding momentum our strongest first half on record, before two significant exogenous shocks tested the industry's resilience and tempered our full-year performance. Despite these headwinds, I believe the character of our response and the quality of our preparation for the year ahead speak of the underlying strength of this organization.

SRI LANKA'S TOURISM LANDSCAPE — A YEAR OF RECORDS AND REVERSALS

Sri Lanka's tourism sector delivered a record-breaking year in terms of visitor volumes in the calendar year 2025, with total international arrivals reaching 2,362,521 a 15.1% increase over the 2,053,465 recorded in 2024, and the highest annual figure since 2019. Key source markets included India (531,511 arrivals), the United Kingdom (212,277), the Russian Federation (186,580), Germany (163,000+), and France, with strong growth also from Australia, Bangladesh, and Pakistan. Europe as accounted for a majority share of arrivals, underscoring the continued importance of long-haul markets to Sri Lanka's inbound tourism.

However, an important structural issue emerged during the year: total tourism revenue grew only marginally, to USD 3.22 billion a gain of just 1.6% over 2024's USD 3.17 billion despite the 15% surge in arrivals. A revised daily per-tourist expenditure figure of USD 148 per day, down from a previously estimated USD 171, highlighted a widening gap between visitor volume and tourism yield. This has prompted renewed focus across the industry on attracting higher-value travelers and developing premium segments such as wellness, cultural heritage, MICE, and marine tourism. The Government's ambitious target of 3 million arrivals and USD 5 billion in revenue for 2026 underscores the scale of ambition, even as near-term headwinds persist.

Against this backdrop, Sri Lanka's macroeconomic environment continued to stabilize. The IMF-supported reform program advanced, the Average Weighted Prime Lending Rate remained in a moderate range, and real GDP growth of approximately 5% was recorded in the calendar year 2025 a further consolidation of the recovery that began in 2024. Inflation remained broadly under control, and investor confidence continued to recover.

CYCLONE DITWAH — A NATIONAL TRAGEDY AND AN INDUSTRY TEST

The single most disruptive event for our sector in the year under review was Cyclone Ditwah, which made landfall on Sri Lanka's coast on 27 November 2025 and tracked across the island over the subsequent days before moving back over the Bay of Bengal. Ditwah was described as the worst extreme weather event to strike Sri Lanka in decades: a cyclonic storm of modest intensity that nonetheless delivered catastrophic rainfall, triggering widespread landslides, flooding, and infrastructure destruction, particularly across the Central Highlands.

The human cost was devastating. More than 640 deaths were recorded in Kandy District alone, with significant further loss of life in Nuwara Eliya, Badulla, Kurunegala, and Kegalle. Over a million people were directly affected.

For the tourism industry, the timing was particularly damaging. The cyclone struck at the opening of what is traditionally the high season for Sri Lanka's hill-country and cultural tourism circuits. Travelers already in-country were stranded. While November 2025 ultimately recorded 212,906 arrivals nationally reflecting some resilience in coastal and Colombo-based tourism the revenue impact for operators in the hill country and for the sector overall was material, and the reputational effects contributed to softened forward bookings into December.

As a coastal resort property in Beruwala, our physical operations were not directly in the cyclone's primary path of destruction. Nevertheless, the national emergency, flight disruptions, Sri Lankan Airlines cancellations, and the pervasive negative travel sentiment directly impacted our November and seasonal bookings. We extended our deepest sympathies to all those who lost family members, livelihoods, and homes, and we salute the extraordinary efforts of all relief workers, armed forces personnel, and volunteers who responded to the disaster.

THE MIDDLE EAST CONFLICT — A GEOPOLITICAL RIPPLE EFFECT

No sooner had the tourism industry begun to recover from Cyclone Ditwah's aftermath, than a second and structurally different shock emerged. The escalation of the Middle East conflict particularly the widening confrontation involving Iran that intensified in the last two months of the financial year disrupted global aviation routes in ways that had a direct and severe impact on Sri Lanka's peak-season arrivals in March 2026.

Over 60% of Sri Lanka's high-spending tourists from Europe and North America reach the island via connecting flights through major Gulf aviation hubs principally Dubai, Doha, and Abu Dhabi. The closure or suspension of regional airspace and the curtailment of services by prominent carriers effectively severed this transit corridor, dramatically raising travel costs and journey durations for long-haul visitors, while generating significant psychological deterrence among travelers who were monitoring the conflict's progression with concern.

The data were stark. Sri Lanka recorded only 183,979 arrivals in March 2026 a decline of 19.7% against the 229,298 registered in March 2025. Daily average arrivals fell by a remarkable 40.5%, from approximately 9,976 per day in February to just 5,935 per

CHAIRMAN'S REVIEW

day in March. The Tourism Development Authority estimated the initial financial fallout for the sector at approximately USD 40 million. Year-to-date arrivals through the first quarter of 2026 reached 740,634 a positive 2.5% against the prior year, reflecting January (277,327, +9.7%) and February (279,328, +16.2%) surges but the March reversal was a painful close to the financial year. India, benefiting from direct air connectivity not reliant on Gulf transit, remained the undisputed leading source market with 47,533 arrivals in March alone, providing meaningful counterbalance to European declines.

The Company's performance in March 2026 reflected these pressures. Occupancy in what would ordinarily be one of our strongest months of the year was significantly below the prior-year comparative. Revenue from European source markets particularly from Germany, France, and the United Kingdom, which collectively represent a meaningful share of our guest mix contracted sharply as bookings did not materialize and some confirmed reservations were cancelled.

OUR FINANCIAL PERFORMANCE

Against this challenging backdrop, the Company recorded a turnover of LKR 842.5 million for the year ended 31st March 2026, broadly flat against LKR 841.3 million in the prior year an outcome that reflects the strength of the first half of the financial year offset by the disruptions in November and March. Gross profit at the Company level was LKR 569.4 million, marginally ahead of the prior year's LKR 564.8 million, reflecting improved cost management and a better cost-of-sales ratio.

Company Profit Before Tax was LKR 94.8 million, compared to LKR 153.9 million in the prior year, reflecting both the impact of increased administrative and finance costs and the disruption to revenue in the two affected months. At the Group level, Profit Before Tax was LKR 75.7 million against LKR 138.6 million previously. After accounting for a significantly higher income tax charge largely driven by the recognition of deferred tax liabilities and the absence of carried-forward losses previously available for utilization Company net profit after tax was LKR 9.0 million, and the Group recorded a net loss of LKR 8.0 million for the year.

The property revaluation exercise undertaken during the year resulted in a revaluation surplus of LKR 182.7 million being recognized in Other Comprehensive Income, Total equity at the Company level stands at LKR 467.2 million, with Group equity at LKR 615.8 million.

Finance costs at LKR 58.7 million (Group) remain a significant cost, reflecting the Company's term loan obligations with Cargills Bank PLC. We continue to manage our debt position carefully, and repayments during the year totaled LKR 157.7 million. The Company's debt-to-adjusted-equity ratio as at 31st March 2026 was 1.18 at the Group level.

CAPITAL INVESTMENT AND THE REFURBISHMENT PROJECT

The most consequential strategic decision of the year and the one most likely to define the Company's competitive position over the next decade is the major refurbishment project that was approved and committed to during the financial year.

Following the financial year end, the Board resolved to temporarily suspend hotel operations for a period of four months to undertake the aforementioned refurbishment of 106 rooms in the main building, the main entrance, and the swimming pool. Operations are planned to resume by September 2026. This was a difficult but necessary decision. Our property, which has served guests with warmth and distinction for 47 years, requires renewal to compete at the level our guests and shareholders deserve. The refurbishment will modernize core infrastructure, update the property's overall aesthetics to align with current hospitality standards, and significantly enhance the guest experience. We are confident that the investment will deliver improved occupancy levels, higher average daily rates, and stronger guest satisfaction scores from the reopening season.

OUR HOTEL'S PERFORMANCE — OCCUPANCY AND GUEST MIX

Prior to the disruptions in November and March, our property delivered a strong performance in the first seven months of the financial year. Arrivals from European source markets particularly Russia, Germany, France, and the United Kingdom — were robust through the January to October 2025 period, consistent with the broader national recovery trend. Indian arrivals also grew meaningfully, in line with India's emergence as Sri Lanka's largest inbound market nationally.

The Cyclone Ditwah-related disruptions in late November, while operationally manageable at our coastal location, significantly affected November revenues through last-minute cancellations, re-bookings to later dates, and reduced occupancy in the final week of the month. The Middle East crisis-driven March decline was more severe, with occupancy in our traditionally strong peak-season month falling materially below prior-year levels as European arrivals contracted.

GOVERNANCE AND BOARD CHANGES

During the financial year, we continued to strengthen our governance frameworks. I am pleased to note that Mr. S. B. Perera and Mr. J. E. P. Kehelpannala, who joined the Board effective 1st January 2025, have made valuable contributions across our Audit, Risk, and Nominations functions, bringing their respective expertise in finance, operations, and governance to bear on the Company's strategic priorities.

Subsequently, with effect from 5th August 2025, Mr. A.S.G.S. Pieries was appointed as a Non-Executive Director to the Board of Beruwala Resorts PLC and brings with him a wealth of experience in various business segments, He currently also serves on the Boards of Union Commodities (Pvt) Limited and Lanka Electricity Company (Pvt) Limited as a Non-Executive Director.

HUMAN RESOURCES AND SUSTAINABILITY

Our people remain our most valuable asset, and we are deeply committed to their wellbeing and professional development. As at 31st March 2026, the Company employed 157 staff, a reduction from 180 in the prior year, reflecting operational optimization during the year. Our comprehensive training and capacity-building program has continued, with investment in staff training reaching LKR 3.7 million during the year.

The impacts of Cyclone Ditwah on Sri Lanka's Central Highlands have brought climate-related risks to the foreground of national consciousness. As a responsible hospitality operator, we are acutely aware of the growing importance of climate resilience in our industry and are incorporating sustainability considerations into our refurbishment planning, including energy efficiency improvements and environmental best practices in construction and operations.

OUTLOOK

The year ahead presents both challenge and opportunity in equal measure. The Middle East conflict and its impact on transit aviation routes remain the most significant near-term uncertainty for Sri Lanka's inbound tourism. We are encouraged by reports that alternative routing through Asian hubs is being explored by carriers, and that government and industry task forces are actively working on mitigation strategies. India's growth as a direct-connectivity source market provides a degree of insulation and will form a central pillar of our marketing strategy in the period ahead.

Our planned refurbishment closure, while temporarily reducing revenues in the first half of 2026/27, positions the Company for a meaningfully stronger reopening ahead of the winter season traditionally our highest-occupancy period. We approach the reopening with optimism, a substantially improved product, and a commitment to securing the international partnerships and tour operator relationships that will fill our refreshed property from day one.

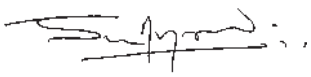
Sri Lanka Tourism's target of 3 million arrivals for 2026, while challenging given the March and April developments, remains achievable if the aviation connectivity situation normalizes. The long-term fundamentals for Sri Lanka as a tourism destination, in its natural beauty, cultural heritage, diverse experiences, and warm hospitality are undiminished. We remain confident in the island's trajectory.

ACKNOWLEDGMENTS

I take this opportunity to express my sincere gratitude to the members of the Board and the management team and all our staff for their dedication through what has been a demanding year one that required adaptability, professionalism, and resilience in the face of external shocks beyond our control. I thank our guests and travel partners for their continued loyalty and confidence in our property. I extend my appreciation to our shareholders for their patience and long-term perspective.

To our lenders, advisors, and the regulatory and tourism authorities your partnership and support continue to be valued.

I am confident that with a renewed physical asset, a committed team, and an improving macro environment, Beruwala Resorts PLC is well-positioned to create sustainable long-term value for all its stakeholders. I look forward to welcoming you to our newly refurbished property in the season ahead.



S.D.R. Arudpragasam
Chairman
Beruwala Resorts PLC

24th July 2026

BOARD OF DIRECTORS

Mr. S.D.R. Arudpragasam
FCMA (UK)
Chairman

Mr. S.D.R. Arudpragasam joined the Board in 2000 and was appointed Chairman in 2013. He was appointed as the Chairman of the Parent Company, The Colombo Fort Land & Building PLC (CFLB) with effect from 1st July 2022. He has been associated with the CFLB Group since 1982 and prior to such appointment, he held the position of Deputy Chairman on the Board of CFLB. Mr. Arudpragasam serves as Chairman of several subsidiaries of CFLB including, Lankem Ceylon PLC, C.W. Mackie PLC, C M Holdings PLC and Chairman/Managing Director of E. B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group.

He also functions as a member on several Board subcommittees of the CFLB Group. Mr. Arudpragasam is a Fellow Member of the Chartered Institute of Management Accountants (UK).

Mr. Anushman Rajaratnam
B.Sc (Hons.), CPA, MBA
Director

Mr. Anushman Rajaratnam was appointed to the Board in April 2019. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Board of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB group. Prior to joining the CFLB group, he worked overseas for a leading global Accountancy Firm.

He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and an MBA from the Massachusetts Institute of Technology, USA.

Mr. S. Rajaratnam
B.Sc., CA
Director

Mr. S. Rajaratnam was appointed to the Board in 2010. He was appointed as the Joint Managing Director of E.B. Creasy & Company PLC in 2018. He also serves as a Director on the Board of The Colombo Fort Land and Building PLC (CFLB) and several of the subsidiaries of the CFLB Group. He functions as a member of several Board subcommittees within the CFLB Group and in certain other listed entities.

Mr. S. Rajaratnam holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a Member of the Institute of Chartered Accountants in Australia.

Mr. Amrit Rajaratnam
LLB (Notts.), Barrister- at - Law Director

Mr. Amrit Rajaratnam was appointed to the Board in 2012. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister at Law (Lincoln's Inn). He began his career at the Law Firm Julius & Creasy and later joined Lankem Ceylon PLC. He is also a Director of York Arcade Holdings PLC, Colombo Fort Investment PLC, Colombo Investment Trust PLC and The Colombo Fort Land & Building PLC amongst other Directorships in The Colombo Fort Land & Building Group.

Mr. S. B. Perera
FCMA/CGMA(UK), B.Sc. Mech.Eng. (Hons.)
Director

Mr. Shrihan B. Perera was appointed to the Board on 31st December 2024. He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Limited from January 2010 to March 2018. Mr. Perera previously held positions of Group Financial Controller and Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience over 30 years both with engineering and finance exposure in and amongst competitive conditions and multidimensional challenges. He has wide exposure in FMCG, garment and textile manufacture and service industry.

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC, Teejay Lanka Prints (Private) Limited and Nubian Threads (Private) Limited. He also serves on the Boards of Fintrex Finance PLC, C.W. Mackie PLC and on the Board of The Colombo Fort Land & Building PLC (CFLB) and certain subsidiaries of CFLB. Mr. Perera was appointed as a Member of the Board subcommittees of the Company with effect from 7th February 2025.

Mr. Perera was appointed as the Chairman of the Board Subcommittees of the Company with effect from 1st January 2025. He also functions as a Member of certain Board subcommittees of several subsidiary companies of the CFLB Group and other companies. Mr. Perera holds a Bachelor of Science Degree in Mechanical Engineering Second Class Upper Honours from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA/CGMA), UK.

Mr. J. E. P. Kehelpannala
Director

Mr. Jayantissa Kehelpannala was appointed to the Board on 31st December 2024. He counts over 40 years of experience in the Leisure Sector in Destination Management Business and Hoteliering in the John Keells Group. He was the former Executive Vice President of John Keells Group and the former Senior Vice President of Cinnamon Hotels and Resorts, overseeing the entire operation of Cinnamon properties in Maldives and the Cinnamon Group expansion. He has served on many of the Boards of John Keells leisure sector in Sri Lanka and in Maldives. He was a Board member of John Keells Hotels PLC until his retirement in December 2022. He was responsible for expansion/refurbishment of John Keells Hotels in Sri Lanka and in Maldives. He is a past President of the Hotels Association of Sri Lanka, Past Chairman of the Hotel Sector Group of the Employers Federation and past Chairman of Sri Lanka Maldives Business Council of the Ceylon Chamber of Commerce. He also served on the Board of Rainforest Eco Lodge, Deniyaya, an industry driven project. He also represented the Hotel Sector in the Ceylon Chamber Committee.

He also functions as a member on several Board Subcommittees of the CFLB Group.

Mr. A.S.G.S. Pieries
Director

Mr. A.S.G.S. Pieries was appointed to the Board on 5th August 2025. Mr. A.S.G.S. Pieries is a fellow member of the Institute of Chartered Accountants of Sri Lanka (CASL).

Mr. Pieries' career spans over 25 years in Finance & Commercial operations. He started his career at John Keells Holdings PLC and has served in numerous organizations in senior managerial positions namely at Price water house Coopers, Ceylon Shipping Lines, WNS Global Services, Unilever Sri Lanka, Delmege Group of Companies, Ceylon Leather Products PLC, Renuka Agri Foods PLC and Anverally & Sons. In addition, he has also worked overseas in Botswana.

Over the years he has accumulated a wealth of experience & knowledge in various business segments which include Audit, FMCG, Manufacturing, Shipping, Plantations, Agri Sector, Printing, Tea Exports, Power & Energy, Travel, Shared Services and Business Process Re-engineering.

He also serves on the Boards of Union Commodities (Private) Limited and Lanka Electricity Company (Private) Limited as a Non Executive Director

COMPANY OVERVIEW

COMPANY OVERVIEW

In the financial year 2025/2026, our Company continued to demonstrate resilience in a dynamic market environment. Despite facing challenges such as changing consumer preferences and economic uncertainties, we achieved significant milestones and maintained our position as a preferred destination in the island's hospitality industry.

FINANCIAL PERFORMANCE

Our financial performance for the year under review showcased steady growth and operational efficiency. Total revenue increased by 0.08% compared to the previous year, driven by a combination of increased occupancy rates and effective revenue management strategies. Net profit before tax rose to LKR 94 million, while the Group's profit before tax stood at LKR 75 million, reflecting a substantial 45.6% decrease from LKR 138 million primarily attributable to the disruption caused by cyclone Ditwah in November 2025 and the adverse impact of the Middle East conflict in March 2026, which affected travel demand during a critical trading period.

REBRANDING STRATEGY

In May 2024, we embarked on a rebranding strategy, transitioning from Colombo Fort Hotels to Fort Resorts. The original brand name was inspired by our parent company, Colombo Fort Land & Building. However, as we operate three well-established resorts, Sigiriya Village, Sigiriya, The Palms, Beruwala, and Club Palm Bay, Marawila, we felt that the term Colombo Fort Hotels conveyed an impression of city-based properties. In contrast, Fort Resorts more accurately reflects the character and positioning of our portfolio.

OPERATIONAL HIGHLIGHTS

Throughout the year, we focused on enhancing the guest experience and streamlining our operations. We invested in staff training programs to ensure high-quality service delivery and the facilities at the property. Our efforts resulted in improved guest satisfaction scores and increased operational productivity.

MARKET TRENDS AND OUTLOOK

Looking ahead, we remain cautiously optimistic about the future despite ongoing market volatility. We recognize the importance of staying agile and adaptable in response to changing consumer demands and market conditions. By closely monitoring industry trends and consumer preferences, we aim to position ourselves for continued success and sustainable growth.

RISKS AND CHALLENGES

While we are confident in our ability to navigate challenges, we acknowledge the various risks that may impact our business. These include fluctuations in demand, regulatory changes, and competitive pressures. To mitigate these risks, we have established robust risk management processes and contingency plans to safeguard our operations and financial performance.

CONCLUSION

In conclusion, 2025/2026 was a year of progress and achievement for our company. We are grateful for the dedication of our team members, the loyalty of our guests, and the support of our stakeholders. As we look towards the future, we are committed to upholding our values of excellence, innovation, and consumer satisfaction.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Beruwala Resorts PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2026.

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, and the Colombo Stock Exchange Listing Rules and are guided by recommended best practices.

GENERAL

The Company was re-registered on 3rd August 2009 as required under the Companies Act No. 7 of 2007.

PRINCIPAL ACTIVITIES / BUSINESS REVIEW

The main activity of the Company which remains unchanged since the previous year is to carry on the business of a Tourist Hotel. The Chairman's Review together with the Financial Statements reflect the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws and regulations and further confirm that the company does not have any material Non-Compliances pertaining to law or regulation imposed by the Government or any regulatory authority in the jurisdiction where the Entity operates.

FINANCIAL STATEMENTS

The Financial Statements of the Company are given on pages 42 to 45.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on Pages 37 to 41.

ACCOUNTING POLICIES

The Accounting Policies on the Financial Statements is given on Pages 46 to 54

INTEREST REGISTER

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. These have been entered in the Interest Register which is maintained by the Company. The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director and the said transactions are disclosed in Note 32 'Related Party Transactions on pages 73 to 75.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationship with other Directors.

Key Management Personnel Compensation

Key Management Personnel Compensation in respect of the Company and the Group for the financial year 2025/2026 are given in Note 32.3 to the Financial Statements on page 73.

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions / disposals to the Board in-compliance with Section 200 of the Companies Act No. 7 of 2007.

The acquisitions/disposals are routinely notified to the Colombo Stock Exchange.

Details pertaining to Directors direct shareholdings are set out below :

	No. of shares	
Name of Director	As at 31.03.2026	As at 31.03.2025
Mr. Amrit Rajaratnam	300,000	300,000

Corporate Donations

Details pertaining to corporate donations made by the Company during the financial year 2025/26 are given in note 6 to the financial statements on page 56.

DIRECTORATE

The names of the Directors who held office during the financial year are given below and the profiles of the Directors who are currently in office are given on pages 6 and 7.

Mr. S.D.R. Arudpragasam - Chairman
Mr. S. Rajaratnam
Mr. Amrit Rajaratnam
Mr. Anushman Rajaratnam
Mr. S. B. Perera
Mr. J. E. P. Kehelpannala
Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)

ANNUAL REPORT OF THE BOARD OF DIRECTORS

In terms of Articles 84 and 85 of the Articles of Association Mr. Sanjeev Rajaratnam retires by rotation and being eligible offers himself for re-election.

In terms of Articles 84 and 85 of the Articles of Association Mr. Amrit Rajaratnam retires by rotation and being eligible offers himself for re-election.

Mr. A.S.G.S. Pieries who was appointed to the Board on 5th August 2025 retires in terms of Article 91 of the Articles of Association and being eligible offers himself for re-election.

Mr. S. D. R. Arudpragasam, Director, being over seventy years of age, retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

CORPORATE GOVERNANCE

The Corporate Governance principals adhered by the Company are given on pages 12 to 30.

AUDITORS

The Financial Statements of the Company for the year have been audited by Messrs B.R. De Silva & Company, the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and are recommended for reappointment. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. B. R. De Silva & Company, were paid 2025/2026 Rs.1,296,000 (2024/2025 Rs.1,200,000) as audit fees & fees for audit related services by the Company. In addition, they were paid 2025/2026 Rs. 150,000 by the Company for non – audit related work, which consisted mainly of tax related work. In addition, the Group is engaged with other audit firms and they were paid Rs. 150,000 during the year.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interest in the Company.

REVENUE

The revenue of the Company for the year was 2025/2026 Rs. 842.5 Mn. (2024/2025 Rs. 841.2 Mn.).

RESULTS

The Company made a Net Profit before Tax of Rs. 94.7 Mn against a Net Profit before Tax of Rs. 153.8 Mn in the previous year. The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 42.

STATED CAPITAL

In compliance with the Companies Act No.7 of 2007, the Financial Statements reflect the Stated Capital of the Company. The Stated Capital is the total of all amounts received by the Company in respect of the issue of shares.

The Stated Capital of the Company as at 31.03.2026 was Rs. 120,000,000/- represented by 700,544,295 issued and fully paid Ordinary Shares.

PROPERTY, PLANT & EQUIPMENT

The Capital Expenditure during the year amounted to 2025/2026 Rs. 95.7 Mn. Information relating to movement in Property, Plant & Equipment are given in note 9, to the Financial Statements on pages 58 and 61

RETAINED EARNINGS

The Retained Earnings of the Company as at 31st March 2026 amount to Rs. 170.8 Mn (31.03.2025 – Rs. (231.9 Mn))

The movements are shown in the Statement of Changes in Equity in the Financial Statements on page 44.

TAXATION

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue (Amendment) Act No. 4 of 2023. Relevant details have been disclosed in Note 7 to these Financial Statements on page 57.

RELATED PARTY TRANSACTIONS

During the financial year there were no recurrent or non-recurrent related party transactions which require disclosure. These transactions are disclosed in Note 32.7 to these Financial Statements on page 74.

Further the Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the financial statements are disclosed in Note 32.7 to the financial statements on pages 74 to 75.

SHARE INFORMATION

Information relating to Earnings, Net Assets, Market Value per share and Share Trading is given on pages 88 and 89.

EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the Balance Sheet date that would require adjustments to or disclosures in the Financial Statements other than those disclosed in Note 31 on page 73.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital expenditure commitments and contingent liabilities are disclosed Note 29 and 30.1 as at the Balance Sheet date, are disclosed on page 72.

EMPLOYMENT POLICY

The Company's recruitment and employment policy is non – discriminatory. The occupational health and safety standards receive substantial attention. Appraisals of individual employees are carried out in order to evaluate their performance and realise their potential. This process benefits the Company and the employees. The number of persons employed by the Company at the year-end was 157 (2024/2025 – 180).

There are no material issues pertaining to staff or industrial relations arising from the year under review.

SHAREHOLDERS

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all Statutory payments of the Company due in relation to the employees and the Government are paid or where relevant, provided for.

ENVIRONMENTAL PROTECTION

The Company's business activities can have direct and indirect effects on the environment. It is the Company's policy to minimise any adverse effects its activities have on the environment and promote co-operation and compliance with the relevant authorities and regulations. The Directors confirm that the Company has not undertaken any activities which have caused or are likely to cause detriment to the environment.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's internal control system. Risk management, and the compliance with applicable laws, rules and regulations and have obtained reasonable assurance of their effectiveness and successful adherence. The Internal Control system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can ensure only reasonable, and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable period of time.

The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the Financial Statements.

The Company does not have any material litigations that are pending as at balance sheet date.

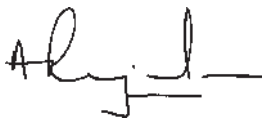
GOING CONCERN

The Directors have adopted the going concern basis in preparing the Financial Statements.

For and on behalf of the Board

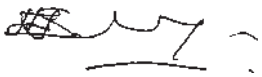


Amrit Rajaratnam
Director



Anushman Rajaratnam
Director

By Order of the Board
Corporate Managers & Secretaries (Private) Limited.



Secretaries
Colombo
24th July 2026

CORPORATE GOVERNANCE

Corporate Governance is the mechanism by which Companies are managed and directed with the objective of balancing and attaining the corporate objectives, the alignment of corporate behaviour within the expectations of the law and society and the accountability to shareholders and the responsibility to other recognised stakeholders.

We present below the Corporate Governance practices adopted and practiced by Beruwala Resorts PLC in accordance with the rules on Corporate Governance set out in the Colombo Stock Exchange Listing Rules.

THE BOARD OF DIRECTORS

Board Composition and Meetings

The Board of Beruwala Resorts PLC currently comprises of seven Directors. The Directors including the Chairman are all Non- Executive Directors of whom two are Independent. The Directors are professionals who have a wealth of experience and knowledge to offer in the fields of Hospitality Management, Marketing, Finance, and Legal.

This enables individual Directors to make a significant contribution towards the Board's decision making process more effective which ultimately facilitates for sustainable value creation for shareholders and the stakeholders of the Company.

Mr. S.D.R. Arudpragasam - Chairman - Non Executive
Mr. S. Rajaratnam - Non Executive
Mr. Amrit Rajaratnam - Non Executive
Mr. Anushman Rajaratnam - Non Executive
Mr. S.B. Perera - Independent Non Executive
Mr. J.E.P. Kehelpannala - Independent Non Executive
Mr. A.S.G.S. Pieries - Non Executive
(Appointed w.e.f. 05.08.2025)

Independent Non Executive Directors

Independent Directors on the Board have declared that they are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgments. All Independent Non Executive Directors have submitted signed and dated declarations of their independence or non independence to the Board.

The Board makes a determination annually as to the independence or non-independence of each Independent Non-Executive Director based on such declarations made on the defined criteria and other information available to the Board. The names of Directors determined to be "Independent" are set out in the Annual Report.

Decision Making of the Board

The Board met on six occasions during the year under review. In addition to Board Meetings, matters are referred to the Board and decided by Resolutions in Writing. Further York Hotel Management Services Limited the Managing Agents of the Company meet regularly to review progress, discuss operational issues and also focus on the achievement of the medium - and long-term objectives of the Company.

The number of Meetings of the Board and the individual attendance by members are shown below:

Total Number of Meetings held: 6

Name of Director	Directorship Status	Board Meetings Attended
Mr. S.D.R. Arudpragasam	Chairman - Non Executive	6/6
Mr. S. Rajaratnam	Non Executive	5/6
Mr. Amrit Rajaratnam	Non Executive	4/6
Mr. Anushman Rajaratnam	Non Executive	3/6
Mr. S.B. Perera	Independent Non Executive	6/6
Mr. J.E.P. Kehelpannala	Independent Non Executive	6/6
Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)	Non Executive	4/4

The Board is Responsible for :

- Determining the strategic direction of the Company and also setting the corporate values.
- Implementation and monitoring of business strategy of the Company.
- Ensuring of an effective internal control system and proactive risk management system.
- Ensuring compliance with ethical, legal, health, environment and safety standards.
- Approval of Interim and Annual Financial Statements.
- Approval of budgets, corporate plans, major capital investments, divestments and acquisitions.
- Approval of any issue of equity and debt securities of the Company.

- Any other matter which is important to ensure that the Company conducts its business in the best interest of all stakeholders.

- Ensuring compliance with the company policies.

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market Provisions.

Chairman's Role

The Chairman is a Non-Executive Director and is responsible for steering the Board to preserve order and to facilitate the effective discharge of Board functions. He conducts Board proceedings in a manner which always ensures the following:

- The effective participation of Directors.

- Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.

- Ascertains the views of Directors on issues under consideration.

The Board is in complete control of the Company's affairs and is alert to its obligation to all shareholders and other stakeholders.

Financial Acumen

The Directors are from varied business and professional backgrounds. Their expertise enables them to exercise independent judgement and their views carry substantial weight in decision making. The Board includes five finance Professionals who possess the necessary knowledge to offer guidance on matters of finance.

Directors other Directorships

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or key management personnel is present on pages 26 to 30.

Company Secretaries and Independent Professional advice

The Directors may seek advice from Corporate Managers and Secretaries (Pvt) Ltd., who are qualified to act as Secretaries as per the provisions of the Companies Act No.7of 2007. Advice is also sought from independent external professionals whenever the Board deems it necessary.

Supply of Information

The Directors are provided with an Agenda, Minutes and relevant Board Papers prior to Board Meetings. Minutes of all the Meetings are properly recorded and circulated amongst the Directors.

Nomination and Governance Committee and Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Nomination and Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the policies adopted by the Company and the Rules on Corporate Governance.

The Board as a whole annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.

The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. Upon the appointment of a new Director to the Board, the Company makes the required disclosures of such Director to the shareholders by making announcements to the Colombo Stock Exchange.

The Nomination and Governance Committee Report is set out on pages 35 and 36 of this Report.

Re-election of Directors/Reappointment of Directors

In terms of the Articles of Association a Director appointed by the Board holds office until the next Annual General Meeting, at which he seeks re-election by the Shareholders. The Articles require that one – third of the Directors in office (excluding the Chairman, Chief Executive, Managing or Joint Managing Director) to retire at each Annual General Meeting. The Directors to retire are those who have been longest in office since their last election. Retiring Directors are eligible for re-election by the shareholders.

Fit and Proper Assessment

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and the Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

DIRECTORS REMUNERATION

Remuneration Committee

All members of the Board are Non-Executives to whom Directors' fees are paid.

Aggregate of the fees paid to the Directors is disclosed in note 32.3 to the financial statements on page 73.

The Remuneration Committee Report is set out on page 33 of this Report.

RELATIONSHIP WITH SHAREHOLDERS

Constructive use of Annual General Meetings / General Meetings

The Board considers the Annual General Meeting / General Meetings as an opportunity to communicate with Shareholders and encourage their participation. Questions raised by the Shareholders over the content of the Annual Report as well as other matters pertaining to the Company, are answered and an appropriate dialogue is maintained with them.

The policy on relations with Shareholders and Investors is available on the Company's website https://thepalmsberuwala.com/ where the contact persons are also provided. Major issues and concerns are informed to the Board by the Senior Management and the Corporate Secretaries.

Major Transactions

There have been no transactions during the year under review which falls within the definition of 'Major Transactions' as set out in the Companies Act.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board of Directors considers the timely publication of its Annual and Quarterly Financial Statements as a high priority. These publications include financial and non-financial information in order to facilitate the requirements of the existing and potential shareholders. The Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards.

Disclosures

The Annual Report of the Board of Directors is given on pages 9 to 11 in this Report. The Auditors' Report on the Financial Statements is given on pages 37 to 41 of the Report.

Compliance with Legal Requirements

The Board is conscious of its responsibility to the shareholders, the Government and the Society in which it operates and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board strives to ensure that the Company and its subsidiary comply with the laws and regulations of the Country.

Audit Committee

The Audit Committee Report is set out on pages 31 and 32 of this Report.

Related Party Transactions Review Committee

The Related Party Transactions are disclosed in Note 32.7 on pages 74 to 75.

The Related Party Transactions Review Committee Report is set out on page 34 of this Report.

Internal Control

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to safeguard assets against unauthorised use or disposal and to ensure proper accounting records are maintained.

It includes all controls including financial, operational and compliance controls and risk management. However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe. The Board of Directors have ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried in accordance with Sri Lanka accounting standards and regulatory requirements.

Compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 16 to 25.

Company Policies

The Company has established a comprehensive suite of Corporate Policies that align with the Listing Rules of the Colombo Stock Exchange (CSE) and reflect the Company's commitment to ethical governance, transparency and sustainable business practices. These policies encompass key areas such as:

- Matters relating to the Board of Directors.
- Board Committees.
- Corporate Governance, Nominations and Re-election.
- Remuneration.
- Internal Code of Business Conduct and Ethics.
- Risk Management and Internal Controls.
- Relations with shareholders and investors.
- Environmental, Social and Governance (ESG) sustainability.

- Control and Management of Company Assets and Shareholder Investments.
- Corporate Disclosures.
- Whistle-blowing.
- Anti-Bribery and Corruption.

These policies are publicly accessible on the Company's website at https://thepalmsberuwala.com

Material Foreseeable Risk Factors

The Board of Directors has the overall responsibility for establishing and overseeing of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees how the management monitors compliance with the Group's risk management policies and procedures, reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

CORPORATE GOVERNANCE

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

Rule		Adherence
9.2	**POLICIES**	
9.2.1	Establish and maintain the following policies	
	a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l) Anti-Bribery and Corruption	Complied
9.2.2.	Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	Not Applicable
9.2.3.	Listed entities shall disclose in its Annual Report. (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied
9.2.4.	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received.
9.2.5.	i. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	Not Applicable
9.3	**BOARD COMMITTEES**	
9.3.1.	Establishment of Committee	
	(a) Nominations and Governance Committee	Complied
	(b) Remuneration Committee	Complied
	(c) Audit Committee	Complied
	(d) Related Party Transactions Review Committee.	Complied
9.3.2.	Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
9.4	**ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS**	
9.4.1	Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied

Rule		Adherence
9.4.2	Communication and relations with shareholders and investors	
	(a) Have a policy on effective communication and relations with shareholders and investors (b) Disclose the contact person for such communication. (c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders (d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied
9.5	**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**	
9.5.1	Establish and maintain formal policy governing matters relating to the Board	
	(a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO (b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID (c) Board diversity – experience, skills, competencies, age, gender, industry requirements (d) Maximum number of Directors and rationale (e) Frequency of Board meetings (f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance (g) Specify the minimum number of meetings, in numbers and percentage, that a director must attend, (h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements (i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. (j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	(a) Complied (b) Not Applicable (c) - (j) Complied
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non-compliant provide explanations with reasons and proposed remedial action.	
9.6	**CHAIRPERSON AND CEO**	
9.6.1	Chairperson shall be a Non-Executive Director	Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Not Applicable
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable
9.6.3	The Requirement for a SID	
	(a) Appointing of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable
9.7	**FITNESS OF DIRECTORS AND CEOS**	
9.7.1	(a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. (b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper prior to such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3	'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 (a) Honesty, Integrity and Reputation – (i)-(vii) (b) Competence and Capability –(i)-(ii) (c) Financial Soundness –(i)-(iii)	Complied

CORPORATE GOVERNANCE

Rule		Adherence
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	Disclosures in the Annual Report	
	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	Complied
	(b) Any non-compliance/s and remedial action taken to rectify non compliance	Not Applicable
9.8	**BOARD COMPOSITION**	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors: (a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied
9.8.3	Criteria for determining independence:	
	A Director shall not be considered independent if he/she:	
	(i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business; a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and the requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	Complied.
9.8.5	The Board of Directors of Listed Entities shall require:	
	(a) Each Independent Director to submit a signed and dated declaration annually	Complied
	(b) Make an annual determination as to the "independence" of Independent Director and set out the names of Directors determined to be 'independent' in the Annual Report.	Complied
	(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Not applicable

Rule		Adherence
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2	
	(a) In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules (b) Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market	Complied with Rule 9.8.1 and 9.8.2 9.8.6 A and B Not Applicable
9.9	**ALTERNATE DIRECTORS**	
	Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association	Complied
	a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. b) If an Alternate Director is appointed as a Non-Executive Director such alternate should not be an executive Director. c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. d) Immediate Market Announcement regarding the appointment of an Alternate Director e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.	
9.10	**DISCLOSURES RELATING TO DIRECTORS**	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold directorships as per Rule 9.5.1 Non compliance to be reported in the Annual Report. (maximum number of Listed Company Directorships – 25)	Complied
9.10.2	Market announcement on appointment of new Director (i - iii)	Complied
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - ii)	Complied
9.10.4	Disclosure in Annual Report - Directors details	Complied
	■ Name, qualifications and brief profile ■ Nature of his/her expertise in relevant functional areas ■ Whether Director or Close Family Members has any material business relationships with other Directors ■ Whether Executive, Non-Executive and/or independent Director ■ Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) ■ Number of Board meetings attended ■ Names of Board Committees in which the Director serves as Chairperson or a member ■ Attendance of committee meetings	
	■ TOR and powers of SID	Not Applicable
9.10.5	Non-Disclosure of Changes to Board and Committees	Not Applicable
	a) Failure to disclose new appointments or changes to the Board of Directors b) Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii)	
9.11	**NOMINATIONS AND GOVERNANCE COMMITTEE**	
9.11.1	Establishment of Nominations and Governance Committee	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	Written Terms of Reference	Complied

CORPORATE GOVERNANCE

Rule		Adherence
9.11.4	Composition	
	(1) The members of the Nominations and Governance Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report	Complied Complied Complied
9.11.5	Functions	Complied
	(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors (iv) Establish and maintain a set of criteria for selection of Directors (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices. (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
9.11.6	Disclosures in Annual Report	
	Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied
9.12	REMUNERATION COMMITTEE	
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	Refer Page 14 of the Corporate Governance Report and the Remuneration Committee Report on Page 33.
9.12.2	Establishment of Remuneration Committee	
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5	Written terms of reference	Refer Page 14 of the Corporate Governance Report and the Remuneration Committee Report on Page 33.
9.12.6	Composition	
	(1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (c) An Independent Director shall be appointed as the Chairperson.	
9.12.7	Functions	
	(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	

Rule		Adherence
9.12.8	Disclosure in Annual Report	
	(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy; and, (C) The aggregate remuneration of the Executive and Non-Executive Directors	Refer the Remuneration Committee Report on page 33 and Note 32.3 to the Financial Statements
9.13	**AUDIT COMMITTEE**	Refer Audit Committee Report
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied
9.13.2	Written terms of reference	Complied
9.13.3	Composition	
	(1) The members of the Audit Committee shall;	Complied
	(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.	
	(b) Not comprise of Executive Directors of the Listed Entity	
	(2) Quorum - requires that the majority of those in attendance to be independent directors.	Complied
	(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Other Directors together with senior Officers of the Managing Agent, York Hotel Management Services Ltd attend by invitation
	(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4	Functions	
	Detailed in Rule (1) (i) –(xiii) and (2)	Complied
9.13.5	Disclosures in Annual Report	
	Audit Committee Report	
	(a) Names of chairperson and members with nature of directorship (b) Status of risk management and internal control – Company and group (c) Statement on CEO and CFO assurance on operations and finances (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. (e) Availability of formal Audit Charter (f) Internal audit assurance and summary of the work internal audit function (g) Details demonstrating effective discharge of functions and duties (h) Statement on external auditors' assurance on their independence (i) Confirmation on determining auditor's independence	Refer Audit Committee Report

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Rule		Adherence
9.14	**RELATED PARTY TRANSACTIONS REVIEW COMMITTEE**	Refer Related Party Transactions Review Committee Report
9.14.1	Establishment of Committee	
	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2	Composition	
	(1) The Related Party Transactions Review Committee shall comprise of; ■ Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors ■ May comprise of Executive Directors ■ An Independent Director shall be appointed as the Chairperson	Complied
9.14.3	Functions	
	(1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations	Complied
9.14.4	General Requirements	Complied
	(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	
	(2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary.	
	(3) Board of Directors to approve RPT when required by the committee	
	(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:	Not Applicable
	(a) Be present while the matter is being considered at the meeting; and,	
	(b) Vote on the matter.	
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied
9.14.6	Shareholder Approval	

Rule		Adherence
	1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. a) Non-recurrent transaction i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into the same Related Party during the same financial year iii) Acquisition of substantial assets from, or disposal of a substantial asset to, any Related Party of the Entity or its associates b) Recurrent transaction (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.	Not Applicable
9.14.7	Disclosures	
	(1) Immediate Disclosures	
	A Listed Entity shall make an immediate Market Announcement to the Exchange	
	(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered with the same Related Party during the Financial year.	Not Applicable
9.14.8	Disclosures in the Annual Report	
9.14.9	Acquisition and Disposal of Assets From/to Related Parties	
	1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)] 2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets. (3) Rule 9.14.9(1) does not apply to: a) Transactions between the Listed entity and a wholly owned subsidiary. b) Transaction between wholly owned subsidiaries of the Listed Entity. c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business. (4) a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration. b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.	Not Applicable

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Rule		Adherence
9.14.9	(5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: a) Key assumptions, conditions or restrictions that impact the estimate value. b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation. c) Sources of information relied upon for the valuation. d) Identity of individuals participating in the valuation assignment and their qualifications. e) Confirmation of the independence of the parties participating in the advice. f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.	Not Applicable
9.14.10	Exempted Related Party Transactions	
	(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public. (b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares. (c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules). (d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction. (e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka. (f) Directors' fees and remuneration, and employment remuneration	Complied
9.15	**PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS**	Not Applicable
	A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2 B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market: ■ If non-compliance is rectified: (a) - (b) ■ If non-compliance is not rectified: (c) - (e)	Not Applicable

Rule		Adherence
9.17	**ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS**	
	(i) Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested (ii) Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; (iii) Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; (iv) Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Complied Refer Annual Report of the Board of Directors and Corporate Governance Report
9.18	**ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**	
	a) Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1),9.11.4(2), 9.12.6, 9.13.3(1),9.13.3(4),9.13.3(6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules. b) The non-compliance must be rectified within three (03) months from the date of non-compliance. c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.. d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored—whichever is earlier. e) Upon being placed on the Watch List, the Entity must make a Market Announcement including: ■ The remedial action proposed within six (06) months. ■ The following statements: i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting. g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made. h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer. i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed. j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance. k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3. The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC."	Not Applicable

CORPORATE GOVERNANCE

DETAILS IN RESPECT OF DIRECTORS

The following table illustrates the total number of Board seats held by each Director of the Company.

Abbreviations:

C - Chairman	GMD - Group Managing Director
DC - Deputy Chairman	MD - Managing Director
EC - Executive Chairman	JMD - Joint Managing Director
EX - Executive Director	CEO -Chief Executive Officer
NE - Non-Executive Director	D - Director
INE - Independent Non-Executive Director	Alt - Alternate Director

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. Anushman Rajaratnam		Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. S.B. Perera		Mr. J.E.P. Kehelpannala		Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)	
Beruwala Resorts PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
The Colombo Fort Land and Building PLC	✓	C/NE	✓	GMD/EX	✓	NE	✓	NE	✓	INE				
Agarapatana Plantations PLC*	✓	C/NE	✓	NE					✓	INE				
C M Holdings PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
E.B. Creasy & Company PLC*	✓	C/MD/ EX			✓	JMD/EX			✓	INE				
Kotagala Plantations PLC*	✓	C/NE	✓	NE					✓	INE				
Lankem Ceylon PLC*	✓	C/NE	✓	EX					✓	INE				
Lankem Developments PLC*	✓	C/NE	✓	NE					✓	INE				
Laxapana PLC*	✓	C/NE			✓	NE			✓	INE				
Marawila Resorts PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
Muller & Phipps (Ceylon) PLC*	✓	C/NE			✓	NE			✓	INE				
Sigiriya Village Hotels PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
York Arcade Holdings PLC *	✓	C/NE	✓	NE	✓	NE	✓	NE						
J.F. Packaging PLC * (Consequent to the Initial Public Offering the Company changed its name from J. F. Packaging Limited to J.F. Packaging PLC)	✓	C/NE	✓	NE					✓	INE				
C W Mackie PLC*	✓	C/NE	✓	NE	✓	NE			✓	INE				
ACME Printing & Packaging PLC*	✓	NE	✓	NE										
Colombo Fort Investments PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
Colombo Investment Trust PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
ACME Packaging Solutions (Pvt) Limited*	✓	D	✓	D										
Alliance Five (Private) Limited*	✓	C	✓	D										
American Lloyd Travels Limited*	✓	D	✓	D	✓	D	✓	D						

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. Anushman Rajaratnam		Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. S.B. Perera		Mr. J.E.P. Kehelpannala		Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)	
Associated Farms (Private) Limited*	✓	C												
B.O.T. Hotel Services (Private) Limited*	✓	C			✓	D	✓	D						
C. F. Travels Limited*					✓	D	✓	D						
C. W. M. Hotels Holdings Limited	✓	D	✓	D										
Candy Delights Limited*	✓	C/MD			✓	JMD								
Capital Finance Limited			✓	D	✓	D								
Capital Investments Limited*	✓	D												
Capital Leasing Company Limited*	✓	C	✓	D										
Century Equity Trust Limited	✓	D												
Ceyflex Rubber Limited*	✓	C			✓	D								
Ceylon Tapes (Private) Limited*	✓	C	✓	D					✓	D				
Ceytape (Private) Limited*	✓	C	✓	D										
Colombo Fort Group Services (Pvt) Limited*	✓	D	✓	D										
Colombo Fort Holdings Limited*	✓	D			✓	D								
Colombo Fort Hotels Limited*	✓	C	✓	D	✓	D	✓	D						
Colombo Fort Properties (Private) Limited*			✓	D										
Colombo Fort Travels Limited*	✓	D			✓	D	✓	D						
Colombo Residencies (Private) Limited	✓	D												
Colonial Motors (Ceylon) Limited*	✓	C/NE	✓	D	✓	D								
Company Holdings (Private) Limited	✓	D			✓	D								
Consolidated Commercial Investments (Private) Limited			✓	D	✓	D	✓	D						
Consolidated Holdings (Private) Limited	✓	D	✓	D										
Consolidated Tea Plantations Limited*	✓	D	✓	D					✓	D				
Consolidated Trust (Private) Limited			✓	D										
Corporate Systems Limited*	✓	C			✓	D								
Creasy Plantation Management Limited*	✓	D												
Darley Butler & Company Limited*	✓	C/MD			✓	JMD								

CORPORATE GOVERNANCE

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. Anushman Rajaratnam	Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam	Mr. S.B. Perera	Mr. J.E.P. Kehelpannala	Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)
E B Creasy Ceylon (Private) Limited*	✓ C		✓ D				
E. B. Creasy Logistics Limited*	✓ C		✓ D				
E.B. Creasy Trading Limited*	✓ D		✓ D				
E.B. Creasy Milk Food Limited* (Striking of in progress)	✓ C		✓ D				
Far Eastern Exports (Colombo) Limited*	✓ D	✓ D		✓ D			
Financial Trust Limited		✓ D	✓ D	✓ D			
Fortland Finance Limited	✓ C		✓ D				
Galle Fort Hotel (Private) Limited*	✓ D	✓ D	✓ D	✓ MD			
Guardian Asset Management Limited*	✓ D		✓ D				
Great Eastern Resorts Ltd		✓ D	✓ D	✓ D			
Group Three Associates (Private) Limited*	✓ C		✓ D				
Horton Plains Resorts and Spa Limited		✓ D		✓ D			
Imperial Hotels Limited*	✓ C	✓ D	✓ D	✓ D			
JF Ventures Limited*	✓ C	✓ D					
Kiffs (Private) Limited*	✓ C	✓ D					
Lake Investments (Private) Limited				✓ D			
Lanka Special Steels Limited*	✓ C		✓ D				
Lankem Agrochemicals Limited*	✓ C	✓ D					
Lankem Cargo Storage Limited*	✓ D	✓ D					
Lankem Chemicals Limited* (Striking of in progress)	✓ C	✓ D					
Lankem Consumer Products Limited* (Striking of in progress)	✓ C	✓ D					
Lankem Exports (Private) Limited*	✓ C						
Lankem Minerals Limited*	✓ C	✓ D					
Lankem Paints Limited*	✓ C	✓ D					
Lankem Plantation Services Limited*	✓ D						
Lankem Research Limited* (Striking of in progress)	✓ C	✓ D					
Lankem Tea & Rubber Plantations (Pvt) Limited*	✓ C	✓ D					
Lankem Technology Services Limited* (Striking of in progress)	✓ C						

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. Anushman Rajaratnam		Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. S.B. Perera		Mr. J.E.P. Kehelpannala		Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)	
Maitland & Knox (Private) Limited	✓	D	✓	D	✓	D	✓	D						
Mayfield Investments (Private) Limited			✓	D										
Motor Mart Ceylon (Private) Limited* (Striking of in progress)	✓	D	✓	D	✓	D								
Muller & Phipps (Health Care) Limited*	✓	C			✓	D								
Nature's Link Limited*	✓	C												
Nutriklim (Ceylon) Limited	✓	D			✓	D								
Oakley Investments (Private) Limited	✓	D	✓	D	✓	D	✓	D						
Property and Investment Holdings (Private) Limited	✓	D	✓	D	✓	D	✓	D						
Rubber & Allied Products (Colombo) Limited*	✓	C	✓	D										
Sherwood Holidays Limited*	✓	C			✓	D	✓	D						
Sigiriya Resorts Limited			✓	D	✓	D	✓	D						
SunAgro Farms Limited*	✓	C	✓	D										
SunAgro LifeScience Limited*	✓	C	✓	D										
Sunrise Resorts Limited			✓	D	✓	D	✓	D						
Teacom (Private) Limited*	✓	C	✓	D			✓	D						
Transways (Private) Limited*			✓	D	✓	D	✓	D						
Tropical Beach Resorts Limited			✓	D	✓	D	✓	D						
Tulsi Investments (Private) Limited	✓	D												
Udaveriya Plantations Limited	✓	D	✓	D										
Unicom Clearing and Forwarding (Private) Limited*	✓	C	✓	D			✓	D						
Union Commodities (Private) Limited*	✓	C	✓	MD			✓	D					✓	D
Union Commodities Exports (Pvt) Limited*	✓	C	✓	D			✓	D						
Union Commodities Teas (Pvt) Limited*	✓	C	✓	D			✓	D						
Union Group (Private) Limited*	✓	D	✓	D										
Union Investments (Private) Limited*	✓	D	✓	D	✓	D								
Vanya Safaris (Private) Limited							✓	D						
Villa Investments (Private) Limited					✓	D								
Voyages Ceylan (Private) Limited*			✓	D	✓	D	✓	D						
Waverly Power (Private) Limited*	✓	C	✓	D	✓	D	✓	D						

CORPORATE GOVERNANCE

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. Anushman Rajaratnam	Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam	Mr. S.B. Perera	Mr. J.E.P. Kehelpannala	Mr. A.S.G.S. Pieries (Appointed w.e.f. 05.08.2025)
Weligama Hills Limited	✓ D	✓ D					
York Conventions (Private) Limited		✓ D	✓ D	✓ D			
York Hotel Management Services Limited*	✓ C	✓ D	✓ D	✓ MD			✓ D
York Tours Limited*		✓ D	✓ D	✓ D			
Sterling Steels (Pvt) Limited*	✓ C		✓ D				
Kelani Valley Canneries Limited*		✓ D					
Sunquick Lanka (Pvt) Limited*		✓ D					
Sunquick Lanka Properties (Pvt) Limited*		✓ D					
Cambodian Rubber Plantation Industries PTE Ltd		✓ D		✓ D			
Consolidated Rubber Plantations PTE Ltd		✓ D		✓ D			
Lanka Agro Plantations PTE Limited		✓ D		✓ D			
Fintrex Finance PLC					✓ NE		
Teejay Lanka PLC					✓ INE		
Teejay Lanka Prints (Private) Limited					✓ D		
Nubion Threads (Private) Limited					✓ C		

Notes:

The companies marked * are Subsidiaries or Associates of The Colombo Fort Land & Building Group

Mr. S.B. Perera resigned from the Boards of J F Ventures Ltd, Ceytape Ltd, Alliance Five (Pvt) Ltd, Kiffs (Pvt) Ltd and Teejay India Private Ltd with effect from 10.05.2025 and also from the Board of Teejay Mauritius Private Ltd with effect from 31.05.2025

Mr. A.S.G.S. Pieries was appointed to the Board of Union Commodities (Private) Limited on 16th May 2025 and to the Boards of Beruwala Resorts PLC, Marawila Resorts PLC, Sigiriya Village Hotels PLC and York Hotel Management Services Limited on 5th August 2025.

Mr. Amrit Rajaratnam resigned from the Board of Union Commodities (Private) Limited on 16th January 2026. He also resigned from the Boards of Union Commodities Exports (Private) Limited, Union Commodities Teas (Private) Limited, Unicom Clearing & Forwarding (Private) Limited & Teacom (Private) Limited on 30th April 2026.

Mr. Anushman Rajaratnam was appointed as a Managing Director to the Board of Union Commodities (Private) Limited with effect from 16th May 2025. He was appointed to the Board of Capital Finance Limited on 30th January 2026 and to the Board of Consolidated Trust (Private) Limited on 23rd March 2026.

Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of C.W. Mackie PLC with effect from 01.04.2026 and to the Board of Colonial Motors (Ceylon) Limited with effect from 02.04.2026.

AUDIT COMMITTEE REPORT

FOCUS OF AUDIT COMMITTEE

The Audit Committee has the responsibility of assisting the Board in fulfilling its overall responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standards. The Terms of References of the Audit Committee defines the authority of the Committee and is periodically reviewed and revised with the concurrence of the Board.

COMPOSITION

The Audit Committee of the Company comprised of the following members:

Mr. S. B. Perera - Chairman - Independent Non Executive Director

Mr. J. E. P. Kehelpannala - Member - Independent Non Executive Director

Mr. S. Rajaratnam - Member - Non Executive Director
(Resigned as a Member w.e.f. 15.08.2025)

Mr. A.S.G.S. Pieries - Member - Non Executive Director
(Appointed as a Member w.e.f. 16.08.2025)

The Committee has a blend of experience in the commercial sector with financial expertise and hospitality management, high standing of integrity and business acumen in order to carry out their role efficiently and effectively.

The composition of the Audit Committee of the Company Complies with rule 9.13.3 of the Colombo Stock Exchange Listing Rules.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited function as the Secretaries to the Audit Committee.

MEETINGS AND ATTENDANCE

The Audit Committee has met in total on six occasions during the financial year ended 31st March, 2026 is as follows:

Mr. S.B. Perera – Chairman	6/6
Mr. J.E.P. Kehelpannala – Member	6/6
Mr. S. Rajaratnam – Member (Resigned as a Member w.e.f. 15.08.2025)	2/3
Mr. A.S.G.S. Pieries – Member (Appointed as a Member w.e.f. 16.08.2025)	3/3

Meetings of the Audit Committee have been held in each quarter of the financial year.

In addition to these meetings the Committee has also adopted resolutions in writing in relation to matters under the purview of the Audit Committee.

Other Directors together with senior officers of York Hotel Management Services Ltd, Managing Agent attend by invitation as and when required, The proceedings of the Audit Committee are regularly reported to the Board.

TERMS OF REFERENCE

The Committee is governed by specific terms of reference set out in the Audit Committee Charter. The Committee focuses on the following objectives in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

a) Risk Management.

b) Efficiency of the system of internal controls.

c) Independence and objectivity of the External (Statutory) Auditors.

d) Appropriateness of the principal accounting policies used.

f) Financial Statement integrity.

The Terms of Reference are reviewed and revised with the concurrence of the Board of Directors, incorporating additional responsibilities assigned to the Audit Committee in relation to sustainability reporting and assurance in respect of SLFRS S1 and S2.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee principally performs an advisory role to the Board and its main objective is to assist the Board of Directors by advising the management in ensuring that the Company follows best practices of sound financial reporting and adhering to relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidelines, rules and regulations.

RISK MANAGEMENT, INTERNAL CONTROL AND FINANCIAL REPORTING

The committee obtained and reviewed the statements from management confirming that adequate internal control measures are in place and implemented in the Company, including the Company's operations and finances.

AUDIT COMMITTEE REPORT

The Audit Committee reviewed the financial reporting system adopted to prepare Financial Statements to ensure that the reliability of the process and consistency of the accounting policies and methods adopted are in compliance with financial reporting requirements, information requirements under the CSE Listing Rules, the Companies Act, the SEC Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and other relevant financial reporting related regulations and requirements.

The Committee satisfied itself that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded.

The Committee effectively discharged its apex function of reviewing and recommending the quarterly unaudited financials and the annual audited financials for approval of the Board.

The Audit Committee facilitates and monitors Enterprise Risk Management (ERM) process. The Committee reviewed the key risks in Risks Models including Climate Related Risks and Opportunities (CRRO).

The Company obtained services of an external consultant to review and strengthen the ESG Management Framework and to align with SLFRS S1 and S2 compliance. The Committee also reviews the developments in sustainability and ESG reporting frameworks to ensure alignment with emerging disclosure requirements.

The Committee also exercises oversight over the governance initiatives undertaken by the Company ensuring alignment with the requirements of Personal Data Protection Act No. 09 of 2022 and the Anti-Corruption Act No. 09 of 2023.

Internal Audits

M/S Deloitte Partners have been appointed to function as the Internal Auditors of the Company based on the scope approved by the Audit Committee.

The Internal Audit Team will conduct audits on quarterly basis across key operational and financial functions including compliance reviews, process assessments and control testing.

External Audit

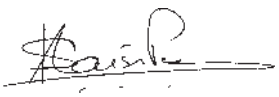
The Company has appointed B.R. De Silva & Company as its External Auditors and the services provided by them are segregated between audit/ assurance services and other advisory services such as tax consultancy.

B.R. De Silva & Company has also issued a declaration as required by the Company's Act No. 07 of 2007 that they do not have any relationship or interest in any of the companies in the Group, which may have a bearing on the independence of their role as Auditors.

The Audit Committee has evaluated the auditor's independence and determined that they are in fact independent and objective in their role. No non-audit work was performed by them or affiliated parties in the year under review. Audit Partner rotation is under review by the committee as is auditor rotation and appropriate recommendations will be made to the Board in the next year.

The Committee after evaluating the independence and performance of the External Auditors has recommended to the Board the reappointment of B.R. De Silva & Company for the financial year ending 31st March, 2026 subject to the approval of the Shareholders at the Annual General Meeting of the Company.

The Audit Committee recommends to the Board the appointment or re-appointment of external Auditors ensuring independence and maintains a close professional relationship with them. The Committee also recommends to the Board the fees payable to external Auditors.



S. B. Perera
Chairman

24th July 2026

THE REMUNERATION COMMITTEE REPORT

The main function of the Remuneration Committee is to assist the Board in developing and administering an equitable and transparent method for setting policy on the overall human resources strategy of the Company and the remuneration of Executive Directors, if any and senior management of the Company. There is a Board approved non-discriminatory remuneration policy for all Non-Executive Directors to ensure that their Independence is not impaired.

COMPOSITION

The Remuneration Committee of Beruwala Resorts PLC comprised of the following members:

Mr. S.B. Perera - Chairman - Independent Non Executive Director

Mr. J.E.P. Kehelpannala - Member - Independent Non Executive Director

Mr. S. Rajaratnam - Member - Non Executive Director

Brief Profiles of the Members are given on pages 6 and 7 of the Annual Report

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Remuneration Committee

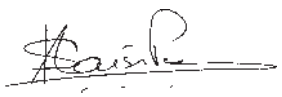
MEETINGS AND ATTENDANCE

The Committee met on one occasion during the financial year.

Mr. S.B. Perera – Chairman	1/1
Mr. J.E.P. Kehelpannala – Member	1/1
Mr. S. Rajaratnam – Member	1/1

Other members of the Board are invited to attend meetings as and when required. The proceedings of the Remuneration Committee are reported to the Board.

The aggregate value of the Directors' Fees paid for the financial year ended 31st March 2026 is given in the Note 32.3 to the Financial Statements.



S. B. Perera
Chairman

24th July 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) is entrusted with the responsibility of ensuring that the interest of the Shareholders are taken into consideration when entering into transactions with a Related Party.

COMPOSITION

The Related Party Transactions Review Committee of the Company comprised of the following members:

Mr. S. B. Perera - Chairman - Independent Non Executive Director

Mr. J. E. P. Kehelpannala - Member - Independent Non Executive Director

Mr. S. Rajaratnam - Member - Non Executive Director (Resigned as a Member w.e.f. 15.08.2025)

Mr. A.S.G.S. Pieries - Member - Non Executive Director (Appointed as a Member w.e.f. 16.08.2025)

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively.

Brief profiles of the Committee members are given on pages 6 and 7.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Committee.

MEETINGS OF THE COMMITTEE

The Related Party Transactions Review Committee has met in total on Five occasions during the financial year ended 31st March 2026 and the attendance of the committee is as follows:

Mr. S.B. Perera – Chairman	5/5
Mr. J.E.P. Kehelpannala – Member	5/5
Mr. S. Rajaratnam – Member (Resigned as a Member w.e.f. 15.08.2025)	2/3
Mr. A.S.G.S. Pieries – Member (Appointed as a Member w.e.f. 16.08.2025)	2/2

Meetings of the RPTRC have been held in each quarter of the Financial year.

The RPTRC has reviewed and recommended to the Board for approval, Related Party Transactions during the financial year under reviews in a manner consistent with the Listing Rules and the activities views comments and observations of the

Committee are communicated on a regular basis to the Board of Directors.

The Committee is free to seek external professional advice on matters within their purview when necessary.

POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

The policies and procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

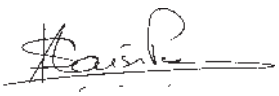
Functions of the Committee

- To identify the persons/entities considered to be Related Parties.
- Review all proposed Related Party Transactions. (Except for transactions which are exempt)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval/ Shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for Compliance against the Committee guidelines.
- Ensuring that immediate market disclosures and disclosures in the Annual Report are made as required by the applicable rules and regulations.

CONCLUSION

The Board declared that all Related Party Transactions during the financial year ended 31st March 2026 are disclosed in Note 32.7 to the Financial Statements.

The Company has complied with the requirements of Section 9.14 of the CSE Listing Rules on Related Party Transactions.



S. B. Perera
Chairman

24th July 2026

REPORT OF THE NOMINATIONS & GOVERNANCE COMMITTEE

The Nomination & Governance Committee ensures that the governance framework of the company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC)

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to corporate governance and selection/ appointment of new Directors and re-election and re-appointment of current Directors to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

There is a formal and transparent procedure for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee which will be periodically reviewed and revised with the concurrence of the Board.

COMPOSITION

The Nomination & Governance Committee of the Company comprised of the following members:

Mr. S. B. Perera - Chairman - Independent Non Executive Director (Appointed on 01.01.2025)

Mr. J. E. P. Kehelpannala - Member- Independent Non Executive Director (Appointed on 01.01.2025)

Mr. S. Rajaratnam - Member- Non Executive Director (Appointed on 01.01.2025)

Brief profiles of the Members are given on pages 6 and 7 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, functions as the Secretaries to the Related Party Transactions Review Committee.

MEETING ATTENDANCE

The Nominations and Governance Committee has met on three occasion during the financial year ended 31st March 2026 and the attendance was as follows:

Mr. S.B. Perera - Chairman	3/3
Mr. J.E.P. Kehelpannala - Member	3/3
Mr. S. Rajaratnam - Member	3/3

Other members of the Board and senior management from York Hotel Management Services Ltd, Managing Agents are invited to attend meetings as and when required. The proceedings of the Nominations and Governance Committee are regularly reported to the Board.

PURPOSE OF THE COMMITTEE

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, taking into account the additional/new expertise required. The Committee regularly reviewed the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Performance evaluations of the Board were conducted, reviewed of by the committee and discussed at Board meeting.

The policies have been documented and recommendations have been made to the Board of Directors by the committee when nominating Directors for re-election/re-appointment at the forthcoming Annual General Meeting.

The newly appointed Directors were briefed on the structure, processes and resources of the Company and the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations. Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations. Any

REPORT OF THE NOMINATIONS & GOVERNANCE COMMITTEE

major issues relating to the Company are communicated to the Directors and special meetings of the Board are held when the need arises to address such matters.

RE-APPOINTMENTS/RE-ELECTIONS

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one third of the Directors in office to retire at each Annual General Meeting. The Directors to retire in each year are who have been longest in office since the last election or appointment. The retiring Directors are eligible for re-election by the Shareholders.

In view of the pivotal leadership role played by Mr. S.D.R. Arudpragasam, Chairman, his Management oversight skills, integrity, expertise, extensive experience and business acumen, the Committee has recommended to the shareholders to reappoint Mr. S.D.R. Arudpragasam who is over seventy years of age and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

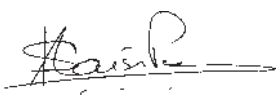
The Directors coming up for re-election or reappointment do not have any close family relationship with the directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder.

Information of Directors who are to be re-elected/reappointed at the AGM are as follows:

Board Member	Date first appointed Director	Date last re-appointed/ re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the directors of Beruwala Resorts PLC, the Company or its shareholders holding more than ten percent (10%) of the shares of Beruwala Resorts PLC (BERU)
Mr. S. D. R. Arudpragasam – Chairman (Non- Executive)	12.12.2000	15.07.2025		Mr. S. D. R. Arudpragasam is a Director of Colombo Fort Hotels Ltd which hold 66.25% of equity in BERU as at 31.03.2026
Mr. Sanjeev Rajaratnam – Director (Non- Executive)	18.10.2010	22.09.2023	Nominations & Governance Committee, Remuneration Committee	Mr. Sanjeev Rajaratnam is a Director of Colombo Fort Hotels Ltd which hold 66.25% of equity in BERU as at 31.03.2026
Mr. Amrit Rajaratnam Director (Non-Executive)	05.03.2012	20.09.2024		Mr. Amrit Rajaratnam is a Director of Colombo Fort Hotels Ltd which hold 66.25% of equity in BERU as at 31.03.2026
Mr. A.S.G.S. Pieries – Director (Non- Executive)	05.08.2025		Audit Committee, Related Party Transitions Review Committee	

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid directors coming up for re- election or reappointment and of the rest of the Board members of Beruwala Resorts PLC are given in their profiles on pages 6 and 7 and under the caption "Details of Directors other Directorships" appearing on pages 26 to 30.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met by the Listed Entity. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 16 to 25.



S. B. Perera
Chairman

24th July 2026

INDEPENDENT AUDITORS' REPORT

B.R.DE SILVA & CO.
Chartered Accountants

A member of Nexia International

Private & Confidential

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BERUWALA RESORTS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Beruwala Resorts PLC *("the Company")* and the Consolidated Financial Statements of the Company and its subsidiary *("the Group")*, which comprise the Statement of Financial Position as at 31st March 2026 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Material Accounting Policy Information and other explanatory notes.

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 31st March 2026, and of their financial performance and its 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 Auditor's 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 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 judgement, were of most significance in our audit of the Financial Statements of the current year. 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.

Partners : N.S.C.De Silva FCA, FCMA (UK), CGMA, L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA, S.M.S.S.Bandara MBA, FCA, D.S.De Silva LLB, Attorney - at - Law, ACA, ACMA (UK), CGMA

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Web : www.brdesilva.com

INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How the Matter was Addressed
1. **Recognition of Revenue** Revenue of the Group for the year ended 31st March 2026 was Rs. 842,547,312 The Company's revenue is disclosed in Note No. (03) and related accounting policies are disclosed in Note No. (2.27.1) to the Financial Statements. We considered revenue as a key audit matter due to its high volume and complexity.	• Our audit procedures in relation to revenue recognition included both tests of controls as well as substantive procedures. • We obtained an understanding of the Company's revenue recognition basis. • We reviewed the Company's accounting policies in respect of revenue recognition and found them to be in compliance with Sri Lanka Accounting Standards. • We performed analytical review procedures to assess whether the recognized revenue was in line with the expected level. • We tested invoices raised to Customers on a sample basis, to ensure revenue is recognized and measured in accordance with the contractual terms of the contracts and the Company's accounting policies. • We carried out substantive testing in respect of revenue cut-off around the year end date. • We assessed the adequacy of the disclosures made in the Financial Statements.

Key Audit Matter	How the Matter was Addressed
2. <u>Transactions with Related parties</u> Related party balances and transactions of the Group are disclosed in Notes (18), (27) & (32) to the Financial Statements. The Company is engaged in related party transactions during the ordinary course of business. A considerable part of interest income, interest expenses and other recurring expenditure are channeled through related companies. Due to the inherent risk attached to related party transactions we considered this as key audit matter.	• Evaluated the process established by the Management in identifying and reporting related party transactions. • Reviewed the minutes of the Related Party Transactions Review Committee. • We read contracts and agreements with related parties to understand the nature, terms and conditions of the transactions. • Reviewed a sample of transactions and ensured that transactions are taken place on arm's length basis. • Critically examined the accuracy of intercompany reconciliations carried out by the Management. • Checked the adequacy of disclosures made in relation to related party transactions.

Other Information

The Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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 on 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

The 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 the Management determines is necessary to enable the preparation of Financial Statements that are free form material misstatements, whether due to fraud or error.

In preparing the Financial Statements, the Management is responsible for assessing the Group's ability to continue as a Going Concern, disclosing, as applicable, matters related to the Going Concern and using the Going Concern basis of accounting unless the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's 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 Sri Lanka Auditing Standards 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the Consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the 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 auditor's 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 auditor's 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan & perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basic 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, related safeguards.

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 year and are therefore the Key Audit Matters. We describe these matters in our auditor's 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 it 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 the independent auditor's report is FCA 2122.

B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

24th July 2026
(LW/ST/IS)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
For the Year Ended 31st March,		**2026**	2025	**2026**	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Revenue	(3)	**842,547,312**	841,256,711	**842,547,312**	841,256,711
Cost of Sales		**(273,134,965)**	(276,454,576)	**(273,134,965)**	(276,454,576)
Gross Profit		**569,412,347**	564,802,135	**569,412,347**	564,802,135
Other Income	(4)	**12,108,866**	6,888,286	**11,670,285**	6,888,286
Administrative Expenses		**(415,174,128)**	(363,601,523)	**(395,730,897)**	(348,376,038)
Marketing & Promotional Expenses		**(31,861,574)**	(24,505,230)	**(31,861,574)**	(24,505,230)
Profit/(Loss) from Operating Activities		**134,485,511**	183,583,668	**153,490,161**	198,809,153
Finance & Other Expenses	(5)	**(58,767,742)**	(44,986,403)	**(58,695,230)**	(44,928,691)
Profit/(Loss) Before Tax	(6)	**75,717,769**	138,597,265	**94,794,931**	153,880,462
Income Tax Expense	(7)	**(83,715,466)**	(45,574,772)	**(85,816,648)**	(46,682,219)
Profit/(Loss) for the year		**(7,997,697)**	93,022,493	**8,978,283**	107,198,243
Other Comprehensive Income					
Items that may not be Reclassified subsequently to Profit or Loss					
Revaluation Gain of Property Plant & Equipment		**182,684,907**	214,300,826	**182,684,907**	-
Actuarial Gain/(Loss) on Defined Benefit Plans		**(680,784)**	2,413,042	**(680,784)**	2,413,042
Deferred Tax on Other Comprehensive Income		**(799,865)**	(65,014,160)	**(799,865)**	(723,913)
Other comprehensive income for the year, net of Tax		**181,204,258**	151,699,708	**181,204,258**	1,689,129
Total comprehensive income for the year, net of Tax		**173,206,561**	244,722,201	**190,182,541**	108,887,373
Profit /(Loss) Attributable to;					
Equity Holders of the parent		**(2,680,820)**	97,462,338	**8,978,283**	107,198,243
Non-Controlling Interest		**(5,316,877)**	(4,439,845)	**-**	-
Profit / (Loss) for the Year		**(7,997,697)**	93,022,493	**8,978,283**	107,198,243
Total Comprehensive Income Attributable to;					
Equity Holders of the parent		**178,523,438**	249,162,046	**190,182,541**	108,887,373
Non-Controlling Interest		**(5,316,877)**	(4,439,845)	**-**	-
Total Comprehensive Income for the year		**173,206,561**	244,722,201	**190,182,541**	108,887,373
Earnings per Share (Rs.)	(8)	**(0.004)**	0.14	**0.01**	0.15

The notes to the Financial Statements from pages 46 to 87 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
As at 31st March,		2026	2025	2026	2025
	Notes	Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	(9)	1,556,901,876	1,335,101,498	734,935,360	498,193,575
Capital Work in Progress	(10)	1,556,425	20,763,520	1,556,425	20,763,520
Right of Use Assets	(11)	7,192,847	7,827,509	7,192,847	7,827,509
Intangible Assets	(12)	5,433,507	4,054,482	5,433,507	4,054,482
Investment in Subsidiary	(13)	-	-	378,959,070	378,959,070
Other Financial Assets	(14)	864,190	682,688	864,190	682,688
		1,571,948,845	1,368,429,697	1,128,941,399	910,480,844
Current Assets					
Inventories	(15)	15,653,739	18,195,855	15,653,739	18,195,855
Trade and Other Receivables	(16)	113,728,975	71,157,700	113,543,248	70,967,208
Income Tax	(17)	-	1,679,244	-	1,679,244
Amounts Due from Related Parties	(18)	16,180,065	72,559,638	30,973,524	81,632,861
Cash and Cash Equivalents	(19)	15,202,977	20,292,784	15,108,870	20,111,289
		160,765,756	183,885,221	175,279,381	192,586,457
Total Assets		1,732,714,601	1,552,314,918	1,304,220,780	1,103,067,301
EQUITY & LIABILITIES					
Capital & Reserves					
Stated Capital	(20)	120,000,000	120,000,000	120,000,000	120,000,000
Revaluation Reserve	(21)	308,501,820	126,821,013	181,680,807	-
Actuarial Gain/(Loss) on Defined Benefit Obligation		(6,525,703)	(6,049,154)	(5,357,699)	(4,881,150)
Retained Earnings		28,440,080	101,175,393	170,880,564	231,956,774
Equity Attributable to Shareholders of Parent		450,416,197	341,947,252	467,203,672	347,075,624
Non Controlling Interest		165,426,335	170,743,212	-	-
Total Equity		615,842,532	512,690,464	467,203,672	347,075,624
Non-Current Liabilities					
Interest Bearing Borrowings	(22)	256,111,300	290,262,453	256,111,300	290,262,453
Lease Liabilities	(23)	21,077,360	20,607,060	21,077,360	20,607,060
Retirement Benefit Obligations	(24)	18,640,666	15,089,396	18,640,666	15,089,396
Deferred Tax	(25)	356,926,160	278,364,509	144,342,736	63,679,903
		652,755,486	604,323,418	440,172,062	389,638,812
Current Liabilities					
Interest Bearing Borrowings	(22)	70,828,379	101,612,866	70,828,379	101,612,866
Lease Liabilities	(23)	3,600,000	3,599,999	3,600,000	3,599,999
Trade & Other Payables	(26)	138,467,707	138,820,728	138,196,170	138,075,690
Amounts Due to Related Parties	(27)	70,647,248	68,706,730	3,647,248	644,089
Income Tax	(17)	2,995,386	-	2,995,386	-
Bank Overdrafts	(28)	177,577,863	122,560,713	177,577,863	122,420,220
		464,116,583	435,301,036	396,845,046	366,352,864
Total Equity & Liabilities		1,732,714,601	1,552,314,918	1,304,220,780	1,103,067,301

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

R. Ketheeswaran
Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,

Amrit Rajaratnam
Director

Anushman Rajaratnam
Director

The notes to the Financial Statements from pages 46 to 87 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

24th July 2026

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, GROUP	Notes	Stated Capital	Revaluation Reserve	Accumulated Profit/(Loss)	Actuarial Gain/(Loss) On Defined Benefit Obligations	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interest	Total Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2024		460,653,214	23,793,748	(336,940,159)	(7,738,283)	139,768,520	128,199,744	267,968,264
Profit/(Loss) for the Year		-	-	97,462,338	-	97,462,338	(4,439,845)	93,022,493
Gain on Revaluation of Property Plant & Equipment	(21)	-	147,181,807	-	-	147,181,807	67,119,019	214,300,826
Capital Reduction	(20.1)	(340,653,214)	-	340,653,214	-	-	-	-
Deferred Tax Effect on Revaluation Gain	(25)		(44,154,542)			(44,154,542)	(20,135,706)	(64,290,248)
Actuarial Gain /(Loss) on Defined Benefit Plans	(24)				2,413,042	2,413,042		2,413,042
Deferred Tax on Actuarial Gain /(Loss)	(25)				(723,913)	(723,913)		(723,913)
Balance as at 31.03.2025		120,000,000	126,821,013	101,175,393	(6,049,154)	341,947,252	170,743,212	512,690,464
Profit/(Loss) for the Year		-	-	(2,680,820)	-	(2,680,820)	(5,316,877)	(7,997,697)
Dividend Paid		-	-	(70,054,493)	-	(70,054,493)	-	(70,054,493)
Gain on Revaluation of Property Plant & Equipment	(21)	-	182,684,907	-	-	182,684,907	-	182,684,907
Deferred Tax Effect on Revaluation Gain	(25)	-	(1,004,100)	-	-	(1,004,100)	-	(1,004,100)
Actuarial Gain /(Loss) on Defined Benefit Plans	(24)	-	-	-	(680,784)	(680,784)	-	(680,784)
Deferred Tax on Actuarial Gain /(Loss)		-	-	-	204,235	204,235	-	204,235
Balance as at 31.03.2026		120,000,000	308,501,820	28,440,080	(6,525,703)	450,416,197	165,426,335	615,842,532

For the Year Ended 31st March, COMPANY	Notes	Stated Capital	Revaluation Reserve	Actuarial Gain/ (Loss) Defined Benefit Obligation	Retained Earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2024		460,653,214	-	(6,570,279)	(215,894,683)	238,188,252
Profit for the year		-	-	-	107,198,243	107,198,243
Capital Reduction		(340,653,214)	-	-	340,653,214	-
Actuarial Gain/(Loss) on Defined Benefit Plans	(21)	-	-	2,413,042	-	2,413,042
Deferred Tax on Actuarial Gain /(Loss)		-	-	(723,913)	-	(723,913)
Balance as at 31.03.2025		120,000,000	-	(4,881,150)	231,956,774	347,075,624
Profit for the year		-	-	-	8,978,283	8,978,283
Dividend Paid		-	-	-	(70,054,493)	(70,054,493)
Actuarial Gain/(Loss) on Defined Benefit Plans		-	-	(680,784)	-	(680,784)
Deferred Tax on Actuarial Gain /(Loss)		-	-	204,235	-	204,235
Gain on Revaluation of Property Plant & Equipment		-	182,684,907	-	-	182,684,907
Deferred Tax Effect on Revaluation Gain		-	(1,004,100)	-	-	(1,004,100)
Balance as at 31.03.2026		120,000,000	181,680,807	(5,357,699)	170,880,564	467,203,672

The notes to the Financial Statements from pages 46 to 87 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENTS OF CASH FLOWS

		GROUP		COMPANY	
		2026	2025	2026	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Cash Flows from/(Used in) Operating Activities					
Net Profit Before Tax		75,717,769	138,597,265	94,794,931	153,880,462
Adjustments for					
Depreciation		55,961,844	43,986,591	41,020,437	31,877,725
Amortization		1,345,060	434,350	1,345,060	434,350
Provision for Gratuity	(24)	3,844,046	4,189,461	3,844,046	4,189,461
Provision for Acquisition from Breakages		1,285,729	2,101,689	1,285,729	2,101,689
(Profit)/Loss on Disposal of Fixed Assets		-	441,971	-	441,971
Interest Income		(958,108)	(877,523)	(958,108)	(877,523)
Exchange Gain on Bank Loans		9,024,306	(4,710,366)	9,024,306	(4,710,366)
Finance Cost	(5)	49,165,047	51,745,144	49,165,047	51,745,144
Lease Interest		4,070,301	3,954,423	4,070,301	3,954,423
		123,738,225	101,265,740	108,796,818	89,156,874
Operating Profit before working Capital Changes		199,455,994	239,863,005	203,591,749	243,037,336
Working Capital Changes					
(Increase)/Decrease in Inventories		2,542,115	(1,221,274)	2,542,115	(1,221,274)
Decrease/(Increase) in Debtors & Receivables		(42,571,276)	29,909,407	(42,576,041)	30,099,895
(Decrease)/Increase in Related Party Balances		58,320,093	(37,939,079)	53,662,497	(41,704,674)
Increase/(Decrease) in Creditors & Accrued Expenses		(353,022)	(27,964,138)	120,479	(27,975,288)
		17,937,910	(37,215,084)	13,749,050	(40,801,341)
Cash Generated from Operations		217,393,904	202,647,921	217,340,799	202,235,995
Finance Cost Paid	(5)	(49,165,047)	(51,745,144)	(49,165,047)	(51,745,144)
Tax Paid		(1,279,050)	399,907	(1,279,050)	399,907
Gratuity Paid	(24)	(973,560)	(950,000)	(973,560)	(950,000)
Cash Generated from Operating Activities		165,976,247	150,352,684	165,923,142	149,940,758
Cash Flows from Investing Activities					
Acquisition of Fixed Assets	(9)	(42,820,850)	(92,091,793)	(42,820,850)	(92,091,793)
Proceeds from Sales of Fixed Assets		-	864,707		864,707
Investment in Fixed Deposits		(181,502)	-	(181,502)	-
Investment in Capital Working Progress		(33,700,436)	(16,042,623)	(33,700,436)	(16,042,623)
Investment in Intangible Assets		(2,724,085)	(3,093,450)	(2,724,085)	(3,093,450)
Interest Received		958,108	877,523	958,108	877,523
Cash Generated from Investing Activities		(78,468,765)	(109,485,636)	(78,468,765)	(109,485,636)
Cash Flows from Financing Activities					
Loans Obtained	(22.1)	49,350,000	236,889,703	49,350,000	236,889,703
Loans Paid	(22.1)	(123,309,946)	(279,951,534)	(123,309,946)	(279,951,534)
Dividend Paid		(70,054,493)		(70,054,493)	-
Payment of Lease		(3,600,000)	(3,046,153)	(3,600,000)	(3,046,153)
Cash Generated from Financing Activities		(147,614,439)	(46,107,984)	(147,614,439)	(46,107,984)
Net Increase/(Decrease) in Cash & Cash Equivalents		(60,106,957)	(5,240,936)	(60,160,062)	(5,652,862)
Cash & Cash Equivalents at the beginning of the year		(102,267,929)	(97,026,993)	(102,308,931)	(96,656,069)
Cash & Cash Equivalents at the end of the year		(162,374,886)	(102,267,929)	(162,468,993)	(102,308,931)
Analysis of Cash & Cash Equivalents					
Cash at Bank - Favorable	(19)	15,202,977	20,292,784	15,108,870	20,111,289
Cash at Bank - Bank Overdraft	(28)	(177,577,863)	(122,560,713)	(177,577,863)	(122,420,220)
		(162,374,886)	(102,267,929)	(162,468,993)	(102,308,931)

The notes to the Financial Statements from pages 46 to 87 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Reporting Entity

Beruwala Resorts PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 and the principal place of business is located at Moragalla, Beruwala.

1.2. Principal Activities and Nature of Operation

The principal activity of the Company and subsidiary is to carry out the business of a Tourist Hotel.

The average number of employees of the Company as at the end of year was 157 (31st March 2025 – 180).

1.3. Date of Authorization for Issue

The Financial Statements for the year ended 31st March 2026 were authorized to issue by the Board of Directors on 24th July 2026.

Notes to the Financial Statements from page 46 to 87 form an integral part of the Financial Statements.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS), adopted by The Institute of Chartered Accountants of Sri Lanka (CA) and the requirements of the Companies Act, No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

Sri Lanka Accounting Standards, (SLFRS/LKAS), issued by the Institute of Chartered Accountants of Sri Lanka materially converged with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.2. Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiary as for the year ended 31st March 2026. Control 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. 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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. 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. Profit or loss and each component of Other Comprehensive Income 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. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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. If the Group loses control over a subsidiary, it de-recognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3. Basis of Measurement

The Financial Statements have been prepared on an accrual basis and under the historical cost convention unless stated otherwise.

2.4. Comparative Information

The Financial Statements provide comparative information in respect of the previous period. The accounting policies have been consistently applied by the Company and they are consistent with those used in the previous years. Previous year's figures and phrases have been re-arranged whenever necessary to conform to the current presentation.

2.5. Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.6. Use of Estimates, Judgements and Assumptions

The preparation of Financial Statements in conformity with SLFRS/LKAS requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the Reporting Date. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised (if the revision affects only that period) or in the period of the revision and future periods (if the revision affects both current and future periods).

2.7. Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31st March 2026, based on available information, the Management has assessed the existing and anticipated effects of the uncertainty on the Group Companies and the appropriateness of the use of the Going Concern basis. In March 2026, the Group evaluated the resilience of its businesses considering a wide range of factors under multiple stress tested scenarios, relating to expected revenue streams, cost management, profitability, the ability to defer non-essential capital expenditure, debt repayment schedules (if any), cash reserves and potential sources of financing facilities (if required), and the ability to continue providing services to ensure businesses continue as least impacted as possible.

The Directors have made an assessment on the Company's ability to continue as a Going Concern and are satisfied that it has the resources to continue in business for the foreseeable future. In determining the above significant management judgements, estimates and assumptions the impact of the country's financial crisis has been considered as of Reporting Date and specific considerations have been disclosed under the relevant Notes.

Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a Going Concern and they do not intend either to liquidate or cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the Going Concern basis.

2.8. Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

2.9. Foreign Currency Transactions

All foreign currency transactions are converted to Sri Lankan Rupees at the rates of exchange prevailing at the time the transactions were effected.

Monetary assets and liabilities denominated in foreign currencies have been translated into the local currency, at the rate of exchange ruling at the date of the Statement of Financial Position while all non-monetary items are reported at the rate prevailing at the time the transactions were effected.

The exchange differences arising therefrom have been dealt within the Statement of Comprehensive Income.

2.10. Events Occurring after the Reporting Period

All material events occurring after the reporting period have been considered and appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

2.11. Changes in Accounting Policies

The accounting policies applied in the Consolidated Financial Statements are the same as those applied in the Group's Consolidated Financial Statements for the year ended 31st March 2025, except for Property, Plant and Equipment (PPE).

2.12. Business Combination and Goodwill

The subsidiary and its controlling percentage of the Group, which have been consolidated, are as follows:

	2026	2025
B.O.T. Hotel Services (Pvt) Ltd	68.68%	68.68%

NOTES TO THE FINANCIAL STATEMENTS

2.13. Assets and Bases of their Valuation

Assets classified as current assets in the Statement of Financial Statements are cash and those assets which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the date of the Statement of Financial Position, whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond a period of one year from the date of the Statement of Financial Position.

2.14. Property, Plant & Equipment

Property, Plant & Equipment other than land and Buildings are stated at cost, less accumulated depreciation and any accumulated impairment in value. The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable costs of bringing the assets to working condition for their intended use.

The cost of self-constructed assets includes the cost of material, direct labour, and any other costs directly attributable to bring the assets to the working condition for their intended use. This also includes the cost of dismantling and removing the items and restoring in the site on which they are located.

The carrying values of Property, Plant & Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognized 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 recognized in the Statement of Profit and Loss, in which case the increase is recognized in the Statement of Profit and Loss. A revaluation deficit is recognized in the Statement of Profit and Loss, except to the extent that it offsets an existing surplus on the same asset recognized in the Revaluation Surplus in respect of an asset is transferred directly to Accumulated Profit on retirement or disposal of the asset.

2.15. Subsequent Expenditure

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of those parts that are replaced is de-recognized in accordance with the de-recognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in profit or loss as incurred.

2.16. De-recognitions and Depreciations

De-recognition

Items of Property, Plant & Equipment are de-recognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Comprehensive Income in the year the asset is de-recognized.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant & Equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets. Freehold land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is de-recognized.

Provision for depreciation is calculated by using a straight-line method on the cost or valuation of all Property, Plant & Equipment, other than freehold land, in order to write-off such amounts over the estimated useful economic life of such assets.

The estimated useful lives of assets are as follows:

Assets	Years
Buildings	50
Bathware Equipment	20
Plant & Equipment	10
Kitchen Equipment	10
Electrical Equipment	10
Office Equipment	10
Furniture & Fittings	10
Motor Vehicles	10
Cutlery Crockery & Linen	03
Computer Equipment	05
Computer Software	05

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

During the year, the Company re-assessed the useful lives of its Linen and Cutlery & Crockery assets based on actual usage patterns and industry practice. As a result, the useful life of these assets has been revised from 10 years to 3 years effective from 1st April 2025.

The effect of this change has resulted in an additional depreciation charge of Rs. 6,094,431 for the current financial year. The impact on future periods is estimated to be Rs. 172,127 per year.

2.17. Intangible Assets

An Intangible asset is recognized 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.

Intangible assets acquired separately are measured on initial recognition at cost. 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 amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The intangible assets of the Company consist of the Computer Software.

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with developing or maintaining computer software programmes are recognized as an expense when incurred. Costs include the software development, employee costs and an appropriate portion of relevant overheads.

Computer software is amortized over 05 years on a straight-line basis. The amortization period and the amortization method for computer software are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss.

2.18. Investments in Subsidiaries

Investments in subsidiaries are initially recognized at cost in the Financial Statements of the Company. Any transaction cost relating to the acquisition of investments in subsidiaries is immediately recognized in the Statement of Comprehensive Income. After the initial recognition, Investments in subsidiaries are carried at cost, less any accumulated impairment losses.

Name of the Subsidiary	Principal Place of the Business	Registered Place of the Business
B. O. T. Hotel Services (Pvt) Ltd	Kapparathota, Matara, Sri Lanka	8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, Sri Lanka.

2.19. Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

2.20. Leases

(a) Basis of Recognition

The Group applies Sri Lanka Accounting Standards SLFRS 16 "Leases" in accounting for all lease hold rights except for which the lease term ends within 12 months, leases of low value assets and leases of variable lease terms.

(b) Basis of Measurement

The Group recognizes Right-of -Use Assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use Assets are measured at cost, less any accumulated amortization and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the Right-of-Use Assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-Use Assets are amortized on the straight-line basis over the lease term.

(c) Lease Liability

At the commencement date of the lease, the Group recognizes lease liabilities, measured at present value of lease payments to be made over the lease term.

The present value of lease commitments as at 1St April 2025 has been calculated using the weighted average incremental borrowing rate of 16.97%.

The Group applied a modified retrospective approach in accordance with SLFRS 16 when accounting for Right-of-Use Assets and operating lease liabilities.

2.21. Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, where it is capitalized as a part of the cost of that asset.

2.22. Cash and Cash Equivalents

Cash and cash equivalents include currency notes and coins on hand, balances with banks, money at call and short notice with less than three months' maturity from the date of acquisition.

2.23. Financial Assets and Financial Liabilities

(a) Initial Recognition and Measurement

The Company recognizes a financial asset or a financial liability in its Statement of Financial Position when it become party to the contractual provisions of the instrument.

The Company initially measures its financial assets at fair value plus in case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Company initially measures its liabilities at fair value minus in case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liabilities.

Despite the above paragraph, at initial recognition, the Company measures trade receivables at their transaction price as defined in SLFRS 15.

(b) Classification of Financial Assets

(a) Financial assets are classified as subsequently measured at Amortised Cost, Fair Value through Other Comprehensive Income or Fair Value through Profit or Loss based on

- The Company's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial assets

(b) Financial Assets measured at Amortized cost

- A Financial Asset is measured at Amortised Cost if both the following conditions are met:
  - The financial asset is held within a business model of which the objective is 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.

(c) Financial Assets measured at Fair Value through Other Comprehensive Income

A financial asset is measured at Fair Value through OCI if both of following conditions are met.

- The financial asset is held within a business model of which the objective is achieved by both collecting contractual cash flows and selling financial assets 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

(d) Financial Assets measured at Fair Value through Profit or Loss

- A financial asset is measured at Fair Value through Profit or Loss unless it is measured at Amortized Cost or Fair Value through OCI in accordance with paragraph (ii) and (iii) above.

(c) Classification of Financial Liabilities

Financial liabilities are subsequently measured at amortized cost, except for,

- Financial liabilities at fair value through profit or loss.

- Financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies.

- Financial guarantee contracts.

- Commitments to provide a loan at a below-market interest rate.

(d) Re-classification

(a) Financial assets are re-classified when and only when the Company changes its business model for managing financial assets.

- If the Company re-classifies financial assets, such re-classification is applied prospectively from the re-classification date, and previously recognized gains, losses (including impairment gains or losses) are not re-stated.

- Guidance in paragraph 5.6.1 to 5.6.7 of SLFRS 09 – "Financial Instruments" are applied in the event of a reclassification of financial assets.

(i) Financial liabilities are not re-classified.

(e) Amortised Cost Measurement

Interest revenue is calculated by using the effective interest method by applying effective interest rate to the gross carrying value originated credit impaired financial assets

- Purchased or Originated credit impaired financial assets.

- Financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit impaired financial assets.

(f) Impairment

The Company recognizes a loss allowance for expected credit losses on a financial asset.

Where on the Reporting Date the credit risk on the financial instrument has increased significantly since initial recognitions, loss allowances at an amount equal to the lifetime expected credit losses are made.

Where on the Reporting Date the credit risk on the financial instrument has not increased significantly since initial recognitions, loss allowances are measured for that financial instrument at an amount equivalent to 12 months of expected credit losses.

(f) De-recognition of Financial Assets

The Company de-recognises a financial asset when:

the contractual rights to the cash flows from the financial asset expire, or

it transfers the financial asset and the transfer qualifies for de-recognition.

(h) De-recognition of Financial Liabilities

A financial liability is removed (or a part of a financial liability) from its Statement the Financial Position when, and only when, it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, or expires.

2.24. Inventories

Inventories are stated at the lower of cost and estimated at net realizable value.

A provision is made for obsolete, slow moving and defective inventories where necessary.

Perishables, products with short shelf lives or expiration dates, or specific seasonal inventories were considered at risk of an impairment. The Company has adequately adjusted the carrying value of the inventory to reflect its net realizable value.

2.25. Employee Benefits

2.25.1. Defined Benefit Plans - Retirement Gratuity

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan.

The liability recognized in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined obligation as at the date of the Statement of Financial Position. The defined benefit obligation is calculated annually by independent actuaries using the Project Unit Credit (PUC) method as recommended by LKAS 19 (Revised 2006) – "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash flow.

The actuarial gain or losses are charged or credited to the Statement of Comprehensive Income in the period in which they arise.

However, according to the Payment of Gratuity Act, No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service.

(a) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

All employees who are eligible for Provident Fund contributions and Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. Contribution plans are recognized as an expense in the Statement of Comprehensive Income when incurred.

All actuarial gains and losses as at 1st April 2011, the date of transition to SLFRS/LKAS, were recognized in retained earnings. The Company recognizes all actuarial gains and losses arising subsequently from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in personnel expenses in the Statement of Comprehensive Income. This liability is not externally funded.

2.26. Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations existing as at the Reporting Date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed as a Note to the Financial Statements unless the out flow of resources is remote.

Contingent assets are disclosed, where inflow of economic benefit is probable.

2.27. Statement of Profit or Loss and Other Comprehensive Income

2.27.1. Revenue Recognition

SLFRS 15 established a comprehensive framework for determining whether how much and when revenue recognized. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group revenue is recognized when a customer obtains control of the goods or services – Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Under SLFRS 15, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

The following specific criteria are used for the purpose of recognition revenue:

- Apartment revenue is recognized for the rooms occupied on a daily basis. All revenue is recognized on an accrual basis over the time of the duration of the stay of customers and matched with the related expenditure where they simultaneously receive and consume the benefits of the services rendered.
- Restaurant revenue includes the revenue recognized on the sale food and beverage. All revenue is accounted for at the time of services rendered.
- Bar revenue is accounted for at the time of sale.

2.27.2. Other Income

(a) Dividend Income

Dividend income is recognized when the shareholders 'right to receive such dividend is established.

(b) Interest Income

Interest income is recognized on an accrual basis from the date of deposit to the Reporting Date.

2.27.3. Expenditure Recognition

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

For the purpose of presentation of the Statement of Comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

2.27.4. Finance Cost

Finance costs comprise of all interest and other costs incurred in connection with borrowings, and are recognized as an expense in the period in which they are incurred, unless they are incurred in respect of qualifying assets in which case they are capitalized.

2.27.5. Earnings per Share

The Company presents basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.27.6. Income Tax Expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

2.27.7. Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the Reporting Date and any adjustments to tax payable in respect of previous years.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue (Amendment) Act, No. 2 of 2025.

2.27.8. Deferred Tax

Deferred taxation is the tax attributable to the temporary differences that arise when taxation authorities recognize and measure assets and liabilities with rules that differ from those used in the Financial Statements.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the unused tax credits and tax losses carried forward can be utilized.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit, and difference relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the Reporting Date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each Reporting Date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Tax withheld in dividend income from subsidiaries and associates is recognized as an expense in the Statement of Comprehensive Income at the same time as the liability to pay the related dividend is recognized.

2.28. Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'indirect method'. Interests paid are classified as operating cash flows while dividends paid are classified as financing cash flows. Interests and dividends received are classified as investing cash flows for the purpose of presenting the Statement of Cash Flows.

For the purpose of Cash Flow Statement, Cash & Cash Equivalents consist of cash at bank and in hand and short-term deposits, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

2.29. RELATED PARTY TRANSACTIONS

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per Sri Lanka Accounting Standards 24 – "Related Party Disclosures", in Note 32.7 in the Financial Statements.

2.30. Financial Risk Management Policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company holds loan and other receivables, trade and other receivables, and cash balances arising directly from its operating activities. The Company also holds financial investments measured in accordance with SLFRS 9 Financial Instruments, including assets classified at fair value through profit or loss and/ or fair value through other comprehensive income. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management is responsible for monitoring and managing these risks on an ongoing basis. The Company's Senior Management is supported by an Audit Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Audit Committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk appetite.

2.31. Risk Management

2.31.1. Liquidity Risk Management

The Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The Company attempts 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 Company considered that cash flow scrutiny is paramount and has adopted a disciplined approach across the Company including setting up of Company-wide spend control and cash management steering committees (Cash war rooms) for preserving and increasing liquidity, particularly on account of the impact of the adverse macroeconomic conditions prevailing in the country.

2.31.2. 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Most lenders grant loans under floating interest rates. To manage this, based on the market condition & outlook of the interest rate, the Company takes mitigating action such as interest rate swaps, caps, etc. Following the adverse macroeconomic condition in Sri Lanka which has resulted in increases in policy rates which have shot up AWPLR. However, the Company strives to manage this with increased pricing for its USD invoices and negotiating with the banks to keep the lending rate at a minimum level.

2.31.3. 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 Company has exposure to foreign currency risk where it has foreign currency transactions which are affected by foreign exchange movements. The Company's exposure to foreign currency denominated payments with local currency revenues are adversely impacted due to undue fluctuations in exchange rates. However, the Company invoices its clients in USD while LKR invoices are converted at the buy rate published by the Central Bank of Sri Lanka.

2.32. Standards Issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, to the date of issuance of the Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- Sri Lanka Accounting Standard SLFRS 18 - Presentation and Disclosure in Financial Statements (Effective for the annual reporting periods beginning on or after 01st January 2027.)

- Sri Lanka Accounting Standard SLFRS 19 - Subsidiaries without Public Accountability (Effective for the annual reporting periods beginning on or after 01st January 2027.)

3. REVENUE

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Revenue is made up of the following;				
Rooms	**367,428,473**	357,805,427	**367,428,473**	357,805,427
Food	**371,936,401**	395,436,101	**371,936,401**	395,436,101
Beverage	**83,880,595**	76,166,540	**83,880,595**	76,166,540
Miscellaneous	**19,301,843**	11,848,643	**19,301,843**	11,848,643
	842,547,312	841,256,711	**842,547,312**	841,256,711

3.1. Timing of Revenue Recognition

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Revenue Recognised at a point in time	**475,118,839**	483,451,284	**475,118,839**	483,451,284
Revenue Recognised over time	**367,428,473**	357,805,427	**367,428,473**	357,805,427
	842,547,312	841,256,711	**842,547,312**	841,256,711

3.2. Contract Assets and Contract Liabilities

The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from customers for future stay in hotels, for which revenue is recognised over the time.

However companies in the Group recognise considerations or payments received prior to transferring of services to customer against what is rightfully due at the time of transferring the services. These amounts have been recognised as contractual liabilities in the financial statements

3.2.1. Contract balances

	GROUP		COMPANY	
As at	**31.03.2026**	31.03.2025	**31.03.2026**	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Contract Asset	**3,972,533**	12,968,434	**3,972,533**	12,968,434
Contract Liabilities	**10,793,198**	17,482,990	**10,793,198**	17,482,990
	14,765,731	30,451,424	**14,765,731**	30,451,424

NOTES TO THE FINANCIAL STATEMENTS

4. OTHER INCOME

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Inter Company Loan Interest	**653,244**	806,703	**653,244**	806,703
Interest on Fixed and Saving Accounts	**304,864**	-	**304,864**	-
Lorry Rent Income	**550,000**	-	**550,000**	-
Payable Balance Written Back	**438,581**	-	**-**	-
New Year Supplements	**2,554,979**	4,585,763	**2,554,979**	4,585,763
Over Booking Guest Transfer	**5,442,199**	-	**5,442,199**	-
Sundry Income	**1,625,000**	1,495,820	**1,625,000**	1,495,820
Reversal of Impairment of Receivables	**539,999**	-	**539,999**	-
	12,108,866	6,888,286	**11,670,285**	6,888,286

5. FINANCE & OTHER EXPENSES

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Interest on Bank Overdrafts	**12,653,195**	10,862,125	**12,653,195**	10,862,125
Bank charges	**780,899**	1,068,069	**708,387**	1,010,357
Interest on Lease Obligations	**4,070,301**	3,954,423	**4,070,301**	3,954,423
Interest Expenses - Inter Company Loans	**1,253,115**	-	**1,253,115**	-
Interest on Term Loans	**34,550,350**	39,872,662	**34,550,350**	39,872,662
Exchange (Gain)/Loss	**5,459,882**	(10,770,876)	**5,459,882**	(10,770,876)
	58,767,742	44,986,403	**58,695,230**	44,928,691

6. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(Loss) before tax is stated after changing all expenses including the following.

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Depreciation	**55,961,844**	43,986,590	**41,020,437**	31,877,725
Amortization	**1,345,060**	434,350	**1,345,060**	434,350
Salaries	**106,944,571**	97,711,704	**106,944,571**	97,711,704
E.P.F.	**11,454,765**	10,377,650	**11,454,765**	10,377,650
E.T.F.	**2,863,691**	2,594,413	**2,863,691**	2,594,413
Retirement Gratuity	**3,844,046**	4,189,461	**3,844,046**	4,189,461
Donations	**77,850**	-	**77,850**	-
Auditors' Remuneration	**1,446,000**	1,200,000	**1,296,000**	1,200,000

7. INCOME TAX EXPENSE

		GROUP		COMPANY	
For the Year Ended 31st March,		**2026**	2025	**2026**	2025
		Rs.	Rs.	Rs.	Rs.
Current Tax for the Year	(7.1)	**4,753,680**	-	**4,753,680**	-
Income Tax for Previous Years		**1,200,000**	-	**1,200,000**	-
Deferred Tax charge/ (Reversal) for the Year		**77,761,786**	45,574,772	**79,862,968**	46,682,219
		83,715,466	45,574,772	**85,816,648**	46,682,219

7.1. RECONCILIATION BETWEEN CURRENT TAX EXPENSE AND ACCOUNTING PROFIT

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Profit before Tax	**75,717,769**	138,597,265	**94,794,931**	153,880,462
Investment Income	**(2,479,913)**	-	**(2,479,913)**	-
Profit/(Loss) after Adjustment	**73,237,856**	138,597,265	**92,315,018**	153,880,462
Disallowable Expenses for Taxation	**84,998,561**	68,157,184	**57,983,931**	54,783,319
Allowable Expenses for Taxation	**(46,375,477)**	(41,138,635)	**(38,438,009)**	(32,721,260)
Assessable Income/ (Loss) from Business	**111,860,940**	165,615,814	**(111,860,940)**	175,942,521
Utilization of Tax Losses	**(96,015,340)**	(165,615,814)	**(96,015,340)**	(175,942,521)
Taxable Income	**15,845,600**	-	**15,845,600**	-
Statutory Tax Rate	**30%**	-	**30%**	-
Tax Provision for the Year	**4,753,680**	-	**4,753,680**	-

8 EARNINGS PER SHARE

8.1 The calculation of the Earnings Per Share has been done based on profit attributable to equity shareholders of Beruwala Resorts PLC after tax for the year divided by the weighted average number of ordinary shares outstanding as at the date of the statement of financial position.

	GROUP		COMPANY	
For the Year Ended 31st March,	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Amount used as Numerator				
Net Profit/ (Loss) attributable to Ordinary Shareholders (Rs)	**(2,680,820)**	97,462,338	**8,978,283**	107,198,243
Number of Ordinary Shares used as Denominator				
Average Number of Shares (Weighted Average)	**700,544,295**	700,544,295	**700,544,295**	700,544,295
Earnings per Share	**(0.004)**	0.14	**0.01**	0.15

There were no potentially dilutive ordinary share outstanding at any time during the year/previous year.

9. PROPERTY, PLANT & EQUIPMENT

9.1. GROUP

Description of Assets	Cost						Depreciation					WDV	
As at 31st March,	Balance As At 01.04.2025	Additions	Revaluation	Depreciation Adjustment on Revaluation	Disposals	Balance As At 31.03.2026	Balance As At 01.04.2025	Charge for the Year	Transfers/ (Disposals)	Depreciation Adjustment on Revaluation	Balance As At 31.03.2026	As At 31.03.2026	As At 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets													
Freehold Land	683,417,000	-	3,347,000	-	-	686,764,000	-	-	-	-	-	686,764,000	683,417,000
Buildings	840,376,894	50,234,802	179,337,907	(170,621,433)	-	899,328,170	304,972,876	25,660,211	-	(170,621,433)	160,011,654	739,316,516	535,404,018
Kitchen Equipment	49,453,560	2,374,469	-	-	-	51,828,029	46,298,642	913,721	-	-	47,212,363	4,615,666	3,154,918
Plant & Equipment	134,010,343	15,714,927	-	-	-	149,725,270	95,242,050	10,023,842	-	-	105,265,892	44,459,378	38,768,293
Office Equipment	2,156,788	253,475	-	-	-	2,410,263	1,840,407	39,206	-	-	1,879,613	530,650	316,381
Electrical Equipment	36,610,422	2,430,031	-	-	-	39,040,453	31,269,631	869,217	-	-	32,138,848	6,901,605	5,340,791
Computer Equipment	7,001,397	1,330,390	-	-	-	8,331,787	6,586,440	1,000,188	-	-	7,586,628	745,159	414,957
Furniture & Fittings	94,666,783	6,294,765	-	-	-	100,961,548	67,558,053	4,939,145	-	-	72,497,198	28,464,350	27,108,730
Motor Vehicles	18,838,816	15,947,458	-	-	-	34,786,274	18,838,816	398,686	-	-	19,237,502	15,548,772	-
Linen	60,551,601	634,195	-	-	-	61,185,796	33,924,226	9,584,881	-	-	43,509,107	17,676,689	26,627,375
Cutlery & Crockery	5,202,942	513,869	-	-	(1,607,161)	4,109,650	2,892,428	527,916	(321,432)	-	3,098,912	1,010,738	2,310,514
Bath Rooms	27,403,367	-	-	-	-	27,403,367	15,164,846	1,370,168	-	-	16,535,014	10,868,353	12,238,521
Grand Total	1,959,689,913	95,728,381	182,684,907	(170,621,433)	(1,607,161)	2,065,874,607	624,588,415	55,327,181	(321,432)	(170,621,433)	508,972,731	1,556,901,876	1,335,101,498

9.1.1. The gross carrying amount of fully depreciated property, plant and equipment that are still in use for the Group as at 31st March 2026 was Rs. 59,600,172/- (as at 31st March 2025- Rs.18,838,816/-)

9.1.2. Beruwala Resorts PLC's buildings have been constructed on a land which was leased out from Sri Lanka Tourism Development Authority for 30 years commencing from 01st August 2007 (Extent A:09, R:03, P:13). The lease period will expire on 31st July 2037. The Group has paid Rs.3,600,000 as lease rent during the year 2025/2026 - (2024/2025 - Rs.2,769,231.00)

9.1.3. The Group assessed the potential impairment loss for property, plant, and equipment as at the reporting date by considering the impact from the current economic conditions. Based on the assessment, no impairment provision is required to be made in respect of property, plant, and equipment as at the reporting date (2025/2026 - Nill)

9.2. COMPANY

Description of Assets As at 31st March,	Cost						Depreciation					WDV	
	Balance As At 01.04.2025	Additions	Revaluation	Depreciation Adjustment on Revaluation	Disposals	Balance As At 31.03.2026	Balance As At 01.04.2025	Charge for the Year	Transfers/ (Disposals)	Depreciation Adjustment on Revaluation	Balance As At 31.03.2026	As At 31.03.2026	As At 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets													
Freehold Land	267,000	-	3,347,000	-	-	3,614,000	-	-	-	-	-	3,614,000	267,000
Buildings	541,548,724	50,234,802	179,337,907	(170,621,433)	-	600,500,000	159,902,629	10,718,804	-	(170,621,433)	-	600,500,000	381,646,095
Kitchen Equipment	49,453,560	2,374,469	-	-	-	51,828,029	46,298,642	913,721	-	-	47,212,363	4,615,666	3,154,918
Plant & Equipment	134,010,343	15,714,927	-	-	-	149,725,270	95,242,050	10,023,842	-	-	105,265,892	44,459,378	38,768,293
Office Equipment	2,156,788	253,475	-	-	-	2,410,263	1,840,407	39,206	-	-	1,879,613	530,650	316,381
Electrical Equipment	36,610,422	2,430,031	-	-	-	39,040,453	31,269,631	869,217	-	-	32,138,848	6,901,605	5,340,791
Computer Equipment	7,001,397	1,330,390	-	-	-	8,331,787	6,586,440	1,000,188	-	-	7,586,628	745,159	414,957
Furniture & Fittings	94,666,783	6,294,765	-	-	-	100,961,548	67,558,053	4,939,145	-	-	72,497,198	28,464,350	27,108,730
Motor Vehicles	18,838,816	15,947,458	-	-	-	34,786,274	18,838,816	398,686	-	-	19,237,502	15,548,772	-
Linen	60,551,601	634,195	-	-	-	61,185,796	33,924,226	9,584,881	-	-	43,509,107	17,676,689	26,627,375
Cutlery & Crockery	5,202,942	513,869	-	-	(1,607,161)	4,109,650	2,892,428	527,916	(321,432)	-	3,098,912	1,010,738	2,310,514
Bath Rooms	27,403,367	-	-	-	-	27,403,367	15,164,846	1,370,168	-	-	16,535,014	10,868,353	12,238,521
Grand Total	977,711,743	95,728,381	182,684,907	(170,621,433)	(1,607,161)	1,083,896,437	479,518,168	40,385,774	(321,432)	(170,621,433)	348,961,077	734,935,360	498,193,575

9.2.1 The gross carrying amount of fully depreciated property, plant and equipment that are still in use for the Company as at 31st March 2026 was Rs. 59,600,172/- (as at 31st March 2025- Rs.18,838,816/-)

9.2.2 Beruwala Resorts PLC's buildings have been constructed on a land which was leased out from Sri Lanka Tourism Development Authority for 30 years commencing from 01st August 2007 (Extent A:09, R:03, P:13). The lease period will expire on 31st July 2037. The Company has paid Rs.3,600,000 as lease rent during the year 2025/2026 - (2024/2025 Rs.2,769,231.00)

9.2.3 The Company assessed the potential impairment loss for property, plant, and equipment as at the reporting date by considering the impact from the current economic conditions. Based on the assessment, no impairment provision is required to be made in respect of property, plant, and equipment as at the reporting date (2024/2025 - Nill)

9.2.4 During the year, the Company reassessed the useful lives of its Linen and Cutlery & Crockery assets based on actual usage patterns and industry practice. As a result, the useful life of these assets has been revised from 10 years to 3 years effective from 1st April 2025.

The effect of this change has resulted in an additional depreciation charge of Rs. 6,094,431/- for the current financial year. The impact on future periods is estimated to be Rs. Rs.172,127/-per year.

(9.3) Revaluation of Land and Buildings

The Company uses the revaluation model of measurement to account for land and buildings. In this regard the Company engaged WikiFrank Chartered Valuers (Pvt) Ltd, an independent, Chartered Valuer and Surveyor to determine the fair value of its land and buildings.

Valuation is done as defined in the Sri Lanka Accounting Standards (SLFRS 13) on Fair Value Measurement. The valuation is based on 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 in the principal market or in the most advantages market at the measurement date under current market conditions.

9.3.1. **The following properties are fair valued and recorded under freehold land and buildings. Fair Value measurement disclosure for revalued land and buildings based on unobservable inputs are as follows,**

Company As at 31st March,	Property	Location	Number of Buildings per Land	Extent	Independent Valuer	Valuation Input	Significant unobservable Input	Date of valuation	Cost	Range Rs.	Fair Value Rs.
Beruwala Resorts PLC	Land	Moragalla, Beruwala	-	P : 2.78	WikiFrank Chartered Valuers (Pvt) Ltd,	Market comparable method	Land value per perch	31st March 2026"	267,000	1,300,000	3,614,000
	Buildings	Moragalla, Beruwala	12	131,988 sq.ft.	WikiFrank Chartered Valuers (Pvt) Ltd,	Depreciated replacement cost method	Rate per sq.ft	31st March 2026"	591,783,526	1,300 - 5,000	600,483,500
BOT Hotel Services (Pvt) Ltd	Land	Kapparathota, Weligama	-	A : 03 R : 0 P : 10.59	WikiFrank Chartered Valuers (Pvt) Ltd,	Market comparable method	Land value per perch	31st March 2026"	115,444,568	1,350,000	709,425,000
	Buildings	Kapparathota, Weligama	7	158,684 sq.ft.	WikiFrank Chartered Valuers (Pvt) Ltd,	Depreciated replacement cost method	Rate per sq.ft	31st March 2026	242,177,306	825 - 3,975	153,757,883

Market Comparable Method

The Open Market Value Method of valuation is a real estate appraisal approach used to determine the price a property would likely achieve if sold on the open market. This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market price of similar assets, making appropriate adjustments for difference in sise, nature and location of the property. This method assumes that the property is sold under normal market conditions, where both the buyer and seller are motivated but not under any undue pressure to complete the transaction.

Depreciated Replacement Cost Method

The Depreciation Replacement Cost Method of valuation is a real estate valuation approach used to estimate the value of a property based on the cost to replace or reproduce the property, minus depreciation. The Depreciated replacement cost method works on the basis that property's value can be equated to its cost, the Valuer assesses the cost of the building if it would have constructed in the current year, and deduct margin for usage of the property. \

9.3.2. Fair Value Hierarchy

Fair value measurement of the property has been categorised under Level 3 in the fair value Hierarchy based on the valuation techniques used.

9.3.3. The carrying amount of revalued assets that would have been included in the Financial Statements, had the assets been carried at cost less accumulated depreciation is as follows,

	Group				Company			
As at 31st March,	2026			2025	2026			2025
	Cost	Accumulated Depreciation	Carrying value	Carrying value	Cost	Accumulated Depreciation	Carrying value	Carrying value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	115,711,568	-	115,711,568	115,711,568	267,000	-	267,000	267,000
Building	833,960,832	327,800,547	506,160,285	381,646,095	541,548,724	170,621,433	370,927,291	381,646,095
	949,672,400	327,800,547	621,871,853	497,357,663	541,815,724	170,621,433	371,194,291	381,913,095

10. CAPITAL WORK IN PROGRESS

10.1. GROUP

As at 31st March,	Opening Balance as at 01.04.2025	Additions during the year	Transfers from during the year	Closing Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Building	20,763,520	30,492,707	(49,699,802)	1,556,425
Furniture and Fitting	-	1,250,765	(1,250,765)	-
Plants and Equipments	-	1,956,964	(1,956,964)	-
	20,763,520	33,700,436	(52,907,531)	1,556,425

10.2. COMPANY

As at 31st March,	Opening Balance as at 01.04.2025	Additions during the year	Transfers from during the year	Closing Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Building	20,763,520	30,492,707	(49,699,802)	1,556,425
Furniture and Fitting	-	1,250,765	(1,250,765)	-
Plants and Equipments	-	1,956,964	(1,956,964)	-
	20,763,520	33,700,436	(52,907,531)	1,556,425

NOTES TO THE FINANCIAL STATEMENTS

11. RIGHT OF USE ASSETS

11.1. GROUP

As at 31st March,	2026	2025
	Rs.	Rs.
Cost		
Balance as at 1st April 2025	14,085,837	14,085,837
Addition during the Year	-	-
Balance as at 31st March 2026	14,085,837	14,085,837
Accumulated Depreciation		
Balance as at 1st April 2025	6,258,328	5,623,664
Depreciation During the Year	634,662	634,664
Balance as at 31st March 2026	6,892,990	6,258,328
Net Book Value as at 31st March 2026	7,192,847	7,827,509

11.2. COMPANY

As at 31st March,	2026	2025
	Rs.	Rs.
Cost		
Balance as at 1st April 2025	14,085,837	14,085,837
Addition during the Year	-	-
Balance as at 31st March 2026	14,085,837	14,085,837
Accumulated Depreciation		
Balance as at 1st April 2025	6,258,328	5,623,664
Depreciation during the Year	634,662	634,664
Balance as at 31st March 2026	6,892,990	6,258,328
Net Book Value as at 31st March 2026	7,192,847	7,827,509

11.3. The Hotel buildings have been constructed in a land which was leased out from Sri Lanka Tourism Development Authority for 30 years commencing from 01st August 2007. The lease period will expire on 31st July 2037.

The incremental borrowing rate applied to lease liabilities recognised under SLFRS 16 was 16.97%.

11.4. Details of Lease Hold Land

Property As at 31st March,	Name of the Lessor	Extent	Year of lease commencement	Year of lease expiry	Lease term (Years)
Moragalla, Beruwala	Sri Lanka Tourism Development Authority	A : 09 R : 3 P : 13	01st August 2007	31st July 2037	30 Year

12. INTANGIBLE ASSETS

12.1. GROUP

	Cost				Amortization				WDV	
Description of Assets As at 31st March,	Balance As At 01.04.2025	Additions	Disposals	Balance As At 31.03.2026	Balance As At 01.04.2025	Amortization	Transfers/ (Disposals)	Balance As At 31.03.2026	As At 31.03.2026	As At 01.04.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets										
Computer Software	9,750,999	2,724,085	-	12,475,084	5,696,517	1,345,060	-	7,041,577	5,433,507	4,054,482
Grand Total	9,750,999	2,724,085	-	12,475,084	5,696,517	1,345,060	-	7,041,577	5,433,507	4,054,482

12.2. COMPANY

	Cost				Amortization				WDV	
Description of Assets	Balance As At 01.04.2025	Additions	Disposals	Balance As At 31.03.2026	Balance As At 01.04.2025	Amortization	Transfers/ (Disposals)	Balance As At 31.03.2026	As At 31.03.2026	As At 01.04.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets										
Computer Software	9,750,999	2,724,085	-	12,475,084	5,696,517	1,345,060	-	7,041,577	5,433,507	4,054,482
Grand Total	9,750,999	2,724,085	-	12,475,084	5,696,517	1,345,060	-	7,041,577	5,433,507	4,054,482

12.3. The Company's intangible assets with a cost of Rs.6,657,548 Mn (2024/2025- Rs.6,657,548 Mn) have been fully amortised and continue to be in used by the Company.

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENT IN SUBSIDIARIES

		GROUP		COMPANY	
As At 31st March		**2026**	2025	**2026**	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Investment in Subsidiaries	(13.1)	-	-	**378,959,070**	378,959,070
		-	-	**378,959,070**	378,959,070

13.1. INVESTMENT IN SUBSIDIARY - COMPANY

As At 31st March			2026		2025	
Company	No. of Shares	Holding %	Cost	Carrying Value	Cost	Carrying Value
			Rs.	Rs.	Rs.	Rs.
B.O.T. Hotel Services (Pvt) Ltd	39,491,798	68.68%	**404,650,388**	**378,959,070**	404,650,388	378,959,070
	39,491,798		**404,650,388**	**378,959,070**	404,650,388	378,959,070

B.O.T. Hotel Services (Pvt) Ltd is a private limited liability company. The following table illustrates summarised financial information of B.O.T. Hotel Services (Pvt) Ltd :

As At 31st March	**2026**	2025
	Rs.	Rs.
Current Assets	**279,834**	371,987
Non-Current Assets	**848,241,476**	863,182,883
Current Liabilities	**81,964,958**	77,921,358
Non-Current Liabilities	**212,583,424**	214,684,606
Revenue	-	-
Loss for the Year	**(16,975,980)**	(14,175,750)
Total comprehensive income	**(16,975,980)**	135,834,828

13.2. As part of the Group's strategic initiative to enhance the value and quality of its hospitality portfolio, a major refurbishment project has been planned for the property operated by B.O.T. Hotel Service (Pvt) Ltd, located at Fisherman's Bay, Weligama. The proposed refurbishment marks a significant step toward reactivating the property. Scheduled to commence in the upcoming financial year, the project will involve upgrading core infrastructure, modernising guest facilities, and enhancing the property's overall aesthetics to align with current hospitality standards and market expectations.
Planning activities are at an advanced stage, with an architect already appointed to undertake the preliminary design work. The refurbishment will be executed in phases, with the objective of restoring the property to operational status and enhancing its long-term value.

14. OTHER FINANCIAL ASSETS

14.1. Financial Assets at Amortised Cost

	GROUP		COMPANY	
As At 31st March	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Investment in Fixed Deposits	864,190	682,688	864,190	682,688
	864,190	682,688	864,190	682,688

15. INVENTORIES

	GROUP		COMPANY	
As At 31st March	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Food Stock	4,821,981	5,899,665	4,821,981	5,899,665
Beverages	3,148,275	5,254,166	3,148,275	5,254,166
General Stock-Maintenance	3,705,463	3,463,319	3,705,463	3,463,319
Housekeeping Stock	1,028,249	970,558	1,028,249	970,558
Food, Beverages & Sundry Stock	1,348,020	1,300,001	1,348,020	1,300,001
Printing & Stationery Stock	1,448,576	1,177,851	1,448,576	1,177,851
Cigarette Stock	109,355	127,332	109,355	127,332
Laundry Operation Stock	43,820	2,963	43,820	2,963
	15,653,739	18,195,855	15,653,739	18,195,855

16. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
As At 31st March	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Trade Debtors	61,963,017	57,799,484	61,963,017	57,799,484
Less - Impairment of Debtors	(9,072,416)	(9,612,415)	(9,072,416)	(9,612,415)
	52,890,601	48,187,069	52,890,601	48,187,069
Other Debtors	5,836,297	14,524,158	5,836,297	14,524,158
Advance & Pre-Payments	55,017,388	7,755,498	54,831,661	7,565,006
Other Receivables	3,160,304	3,910,945	3,160,304	3,910,945
Rent Income Receivable	169,355	125,000	169,355	125,000
Less - Impairment of Other Debtors & Receivables	(3,344,970)	(3,344,970)	(3,344,970)	(3,344,970)
	113,728,975	71,157,700	113,543,248	70,967,208

NOTES TO THE FINANCIAL STATEMENTS

17. INCOME TAX RECOVERABLE/(PAYABLE)

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the year	**1,679,244**	2,079,151	**1,679,244**	2,079,151
Provision for Income Tax	**(4,753,680)**	-	**(4,753,680)**	-
Payment Return	**79,050**	(399,907)	**79,050**	(399,907)
Balance at the end of the year	**(2,995,386)**	1,679,244	**(2,995,386)**	1,679,244

18. AMOUNTS DUE FROM RELATED PARTIES

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
B O T Hotel Services (Pvt) Ltd	**-**	-	**14,793,459**	9,073,223
York Hotel Management Services Ltd	**16,180,065**	52,485,200	**16,180,065**	52,485,200
Colombo Fort Hotels Ltd.	**-**	20,074,438	**-**	20,074,438
	16,180,065	72,559,638	**30,973,524**	81,632,861

18.2. This note should be read in conjunction with Note 32.7 "Transactions held with Related Companies"

19. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Cash at Bank	**13,503,107**	16,885,965	**13,409,000**	16,704,470
Cash in Hand	**1,699,870**	3,406,819	**1,699,870**	3,406,819
	15,202,977	20,292,784	**15,108,870**	20,111,289

20. STATED CAPITAL

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Ordinary Shares Issued & Fully Paid Number of Ordinary Shares				
Balance at the Beginning of the Year	**700,544,295**	700,544,295	**700,544,295**	700,544,295
Balance at the end of the Year	**700,544,295**	700,544,295	**700,544,295**	700,544,295
Value of Ordinary Shares (Rs.)				
Balance at the Beginning of the Year	**120,000,000**	460,653,214	**120,000,000**	460,653,214
Reduction of Capital	**-**	(340,653,214)	**-**	(340,653,214)
Balance at the end of the Year	**120,000,000**	120,000,000	**120,000,000**	120,000,000

21. REVALUATION RESERVE

	GROUP		COMPANY	
	2026 Total	2025 Total	**2026 Total**	2025 Total
	Rs.	Rs.	Rs.	Rs.
Opening Balance	**126,821,013**	23,793,748	**-**	-
During the Year Addition	**182,684,907**	147,181,807	**182,684,907**	-
Deferred Tax Effect on Revaluation Gain	**(1,004,100)**	(44,154,542)	**(1,004,100)**	-
	308,501,820	126,821,013	**181,680,807**	-

The revaluation comprises of the gain arisen from the revaluation of land and building. The reserve is realised upon the derecognition of the revalued land.

22. INTEREST BEARING BORROWINGS - GROUP

	Note	Short-term Portion	Long-term Portion	2026 Total	2025 Total
Lender		Rs.	Rs.	Rs.	Rs.
Cargills Bank Local Currency Loan	(22.1)	28,939,508	129,264,882	**158,204,390**	194,311,797
Cargills Bank Loan USD		41,888,871	126,846,418	**168,735,289**	197,563,522
		70,828,379	256,111,300	**326,939,679**	391,875,319

22.1. Term Loans

	As at 01.04.2025	Loans Obtained	Interest Expense	Repayment	Exchange Loss	As at 31.03.2026
Lender	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cargills Bank Local Currency Loan	194,311,797	49,350,000	19,847,096	(105,304,503)	-	158,204,390
Cargills Bank Loan USD	197,563,522	-	14,512,035	(52,364,574)	9,024,306	168,735,289
Grand Total	391,875,319	49,350,000	34,359,131	(157,669,077)	9,024,306	326,939,679

22. INTEREST BEARING BORROWINGS - COMPANY

As At 31st March	Short-term Portion	Long-term Portion	2026 Total	2025 Total
Lender	Rs.	Rs.	Rs.	Rs.
Cargills Bank Local Currency Loan	28,939,508	129,264,882	**158,204,390**	194,311,797
Cargills Bank Loan USD	41,888,871	126,846,418	**168,735,289**	197,563,522
	70,828,379	256,111,300	**326,939,679**	391,875,319

NOTES TO THE FINANCIAL STATEMENTS

22.1. Term Loans

As At 31st March	As at 01.04.2025	Loans taken	Interest Expense	Repayments	Exchange (Gain)/Loss	As at 31.03.2026
Lender	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
0014830TEMAFP010	478,680	-	20,738	(499,418)	-	-
00014830TEMFIP001	49,218,970	-	3,839,077	(27,459,539)	-	25,598,508
00014830TEMCSR001	133,689,460	-	13,123,928	(43,147,014)	-	103,666,374
00014830TEMRLI0004	10,924,687	-	91,307	(11,015,994)	-	-
00014830TEMUSD005	197,563,522	-	14,512,035	(52,364,574)	9,024,306	168,735,289
00014830TEMAFP014	-	9,350,000	291,447	(745,747)	-	8,895,700
00014830TEMCSR002	-	40,000,000	2,480,599	(22,436,791)		20,043,808
Grand Total	391,875,319	49,350,000	34,359,131	(157,669,077)	9,024,306	326,939,679

22.2. Security and Repayment Terms of Loan (Interest Bearing Borrowings)

Primary Mortgage over Land and Buildings of B.O.T. Hotel Services Ltd situated at Weligama for the Term Loan obtained from Cargills Bank PLC.

Interest Rates applicable for Term Loan Facilities

Cargills Bank Loan - LKR	One Month AWPLR + 2% p.a (Monthly review)
Cargills Bank Loan - LKR	One Month AWPLR + 1.5% p.a (Monthly review)
Cargills Bank Loan - USD	7.75% p.a

23. LEASE LIABILITIES

23.1. LEASE LIABILITIES - GROUP

As At 31st March		Short-term	Long-term Portion	2026 Total	2025 Total
	Notes	Rs.	Rs.	Rs.	Rs.
Lease on Right of Use Land	(23.3)	3,600,000	21,077,360	24,677,360	24,207,059
		3,600,000	21,077,360	24,677,360	24,207,059

23.2. LEASE LIABILITIES - COMPANY

As At 31st March		Short-term	Long-term Portion	2026 Total	2025 Total
	Notes	Rs.	Rs.	Rs.	Rs.
Lease on Right of Use Land	(23.3)	3,600,000	21,077,360	24,677,360	24,207,059
		3,600,000	21,077,360	24,677,360	24,207,059

23.2.1. Lease on Right of Use Land

As At 31st March	As at 01.04.2025	Interest Expense During the Year	Remeasurement during the year	Repayments	As at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Lease on Right of Use Land	24,207,059	4,070,301	-	(3,600,000)	**24,677,360**
	24,207,059	4,070,301	-	(3,600,000)	**24,677,360**

23.3. Maturity Analysis of Lease Liabilities (Undiscounted)

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
Payable With in one year	**3,323,076**	3,323,076	**3,323,076**	3,323,076
Payable between one and two years	**3,323,076**	3,323,076	**3,323,076**	3,323,076
Payable between two and Five Years	**14,815,380**	13,153,843	**14,815,380**	13,153,843
Payable After Five Years	**42,161,527**	47,146,141	**42,161,527**	47,146,141
Total Undiscounted Lease Payments	**63,623,059**	66,946,136	**63,623,059**	66,946,136

23.5. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's Incremental Borrowing Rate (IBR) of 16.97%.

24. RETIREMENT BENEFIT OBLIGATIONS

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year	**15,089,396**	14,262,977	**15,089,396**	14,262,977
Provision made during the Year	**3,844,046**	4,189,461	**3,844,046**	4,189,461
	18,933,442	18,452,438	**18,933,442**	18,452,438
Payments made during the Year	**(973,560)**	(950,000)	**(973,560)**	(950,000)
Actuarial (Gain) / Loss	**680,784**	(2,413,042)	**680,784**	(2,413,042)
Balance at the end of the Year	**18,640,666**	15,089,396	**18,640,666**	15,089,396

The Retirement Benefit Liability of the Company is based on actuarial valuation carried out by Messrs. Piyal S. Goonetilleke and Associates. The principle assumptions used in determining the cost of employee benefits were,

As At 31st March	**2026**	2025
Discount Rate	**10.75%**	11.1%
Salary Increment rate	**10.00%**	10.0%
Retirement Age	**60 years**	60 years

NOTES TO THE FINANCIAL STATEMENTS

24.1. Expenses recognised in the Statement of Profit or Loss

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Current Service Cost	**2,184,213**	2,606,271	**2,184,213**	2,606,271
Interest Cost	**1,659,833**	1,583,190	**1,659,833**	1,583,190
	3,844,046	4,189,461	**3,844,046**	4,189,461

24.2. Losses/(gains) recognised in other comprehensive income

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Actual losses/(gains) on retirement Benefit Obligations	**680,784**	(2,413,042)	**680,784**	(2,413,042)
	680,784	(2,413,042)	**680,784**	(2,413,042)

24.3. SENSITIVITY ANALYSIS

The following schedule explain the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2025/26.

As At 31st March	**2026**	2025
	Rs.	Rs.
Discount Rate		
1% Increase	**17,616,622**	13,890,545
1% Decrease	**19,817,449**	16,470,250
Salary Increments		
1% Increase	**19,790,367**	16,441,971
1% Decrease	**17,621,314**	13,892,963

24.4. MATURITY ANALYSIS OF PAYMENT

The following payments are excepted on defined benefit obligations in the future year.

As At 31st March	**2026**	2025
	Rs.	Rs.
As at		
Within next 12 month	**1,198,508**	998,292
Between 1-2 years	**775,708**	1,611,064
Between 3-5 years	**2,856,101**	3,511,614
Beyond five year	**22,729,202**	19,915,580
Weighted average duration (no of years) of defined benefit obligation	**8.50**	9.00

25. DEFERRED TAXATION

		GROUP		COMPANY	
As At 31st March		**2026**	2025	**2026**	2025
	Note	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the Year		**278,364,509**	167,775,577	**63,679,903**	16,273,772
Recognised in statement of profit or loss		**77,761,786**	110,588,932	**79,862,968**	46,682,218
Recognised in other comprehensive income		**799,865**	-	**799,865**	723,913
Balance at the end of the Year		**356,926,160**	278,364,509	**144,342,736**	63,679,903

25.1. TEMPORARY DIFFERENCES AND CORRESPONDING TAX LIABILITY ARE AS FOLLOWS

		GROUP		COMPANY	
As At 31st March		**Temporary Difference**	**Tax @ 30%**	**Temporary Difference**	**Tax @ 30%**
	Note	Rs.	Rs.	Rs.	Rs.
Property, Plant & Equipment		639,570,829	191,871,249	524,939,849	157,481,955
Intangible Assets		1,398,169	419,451	1,398,169	419,451
Right of Use Asset		7,192,847	2,157,854	7,192,847	2,157,854
Impairment of Receivables		(12,417,386)	(3,725,216)	(12,417,386)	(3,725,216)
Retirement Benefit Liability		(18,640,666)	(5,592,200)	(18,640,666)	(5,592,200)
Leasing		(24,677,360)	(7,403,208)	(24,677,360)	(7,403,208)
Tax Losses	25.1.1	-	-	-	-
Revaluation surplus		597,327,432	179,198,230	3,347,000	1,004,100
		1,189,753,865	356,926,160	481,142,453	144,342,736

25.1.1. Deferred tax asset has not been recognised in respect of the Group's brought forward tax losses as at 31st March 2026 amounting to Rs. 76.1 Mn (2025-Rs 63.6 Mn) since it is not probable that the future taxable profit will be available against which the Group can use the benefit therein. Recognised deferred tax asset on accumulated tax losses has been recognised only up to the extent of forecasted future taxable profit.

26. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Trade Creditors	**43,545,572**	56,134,533	**43,545,572**	56,134,533
Accruals & Other Payables	**63,375,066**	63,396,498	**63,103,529**	62,651,460
Statutory Payments	**31,547,069**	19,289,697	**31,547,069**	19,289,697
	138,467,707	138,820,728	**138,196,170**	138,075,690

NOTES TO THE FINANCIAL STATEMENTS

27. AMOUNTS DUE TO RELATED PARTIES

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Colombo Fort Hotels Ltd.	**67,000,000**	67,820,361	**-**	-
Lankem Ceylon PLC	**-**	242,280	**-**	-
Colombo Fort Group Services (Pvt) Ltd	**630,818**	644,089	**630,818**	644,089
Union Investment (Pvt) Ltd.	**3,016,430**	-	**3,016,430**	-
	70,647,248	68,706,730	**3,647,248**	644,089

28. BANK OVERDRAFTS

	GROUP		COMPANY	
As At 31st March	**2026**	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC	**33,074,000**	26,522,862	**33,074,000**	26,382,369
Cargills Bank PLC	**144,503,863**	96,037,851	**144,503,863**	96,037,851
	177,577,863	122,560,713	**177,577,863**	122,420,220

29. CONTINGENT LIABILITIES

There were no significant Contingent Liabilities as at the Reporting Date that require adjustments to, or disclosure in the Financial Statements.

30. COMMITMENTS

30.1. CAPITAL EXPENDITURE COMMITMENTS

The Group does not have significant capital commitments as at the reporting date.

30.2. FINANCIAL COMMITMENTS

The Group do not have significant financial commitments as at the reporting date, other than following,

Institution	Facility for	Amount (Rs.)
Cargills Bank PLC	To finance capital expenditure pertaining to refurbishments & working capital management	326,939,679

31. EVENTS OCCURRING AFTER THE REPORTING DATE

No material events have been taken place after the Reporting Date which require adjustments to or disclosure in the Financial Statements other than the following;

The management has decided temporarily to suspend hotel operations for four months from 1st May 2026 to 30th August 2026. This temporary closure is undertaken to facilitate the planned refurbishment and operational improvements, with a view to enhancing the overall guests experience and maintaining the company service standers.

The Company on 23rd July 2026 announced a Rights Issue of Three Hundred and Eighteen Million Four Hundred and Twenty Nine Thousand Two Hundred and Twenty Five (318,429,225) Ordinary Shares at a price of Rs. 1.25 per share in the proportion of Five (5) new ordinary shares for every Eleven (11) existing issued Ordinary Shares held, subject to approval by The Colombo Stock Exchange (CSE) and the shareholders of the Company.

32. RELATED PARTY DISCLOSURE

32.1. PARENT AND ULTIMATE CONTROLLING PARTY

The Company's immediate parent is Colombo Fort Hotels Ltd, intermediate parent company is Lankem Ceylon PLC while the ultimate parent undertaking and controlling party is The Colombo Fort Land & Building Company PLC, which is incorporated in Sri Lanka.

32.2. IDENTITY OF THE RELATED PARTIES

The Company has a related party relationship with the Affiliated Companies, Directors of the Company, Key Management Personnel of the Company and their close family members.

32.3. TRANSACTIONS HELD WITH KEY MANAGEMENT PERSONNEL AND THEIR CLOSE FAMILY MEMBERS

According to Sri Lanka Accounting Standards LKAS-24 "Related Party Disclosures" Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the company.

Accordingly the Board of Directors (including Executive and Non-Executive Directors.) have been classified as Key Management Personnel.

(i) Loans to Directors

No loans have been given to the Directors of the Company.

(ii) Key Management Personnel Compensation

	2025/26 Rs.	2024/25 Rs.
Short-Term Benefits	3,207,900	3,570,000

32.4. The Group carries out transactions in the ordinary course of its business on an arm's length basis with parties who are defined as Related Parties in Sri Lanka Accounting Standard (LKAS 24) on Related Party Transactions.

32.5. Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregation exceeded 10% of equity or 5% of the total asset of the Company as per 31st March 2026 audited Financial Statements, which required disclosure in the 2025/26 annual report under CSE Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13 (C) of Securities and Exchange Commission Act.

32.6. Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregation exceeded 10% of equity or 5% of the total asset of the Company as per 31st March 2026 audited Financial Statements, which required disclosure in the 2025/26 annual report under CSE Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13 (C) of Securities and Exchange Commission Act.

32.7. TRANSACTIONS HELD WITH RELATED COMPANIES

32.7.1. GROUP

Name of the Company For the Year Ended 31st March	Relationship	Name of Director	Balance as at 01.04.2025 Receivable / (Payable) Rs.	Nature of Transaction	Amount Received / (Charged) Rs.	Balance as at 31.03.2026 Receivable / (Payable) Rs.
York Hotel Management	Related Company	Mr. S. D. R. Arudpragasam	52,485,200	Expenses	-	16,180,065
Services Ltd.		Mr. S. Rajaratnam		Fund Transfer	51,356,078	
		Mr. Amrit Rajaratnam			-	
		Mr. Anushman Rajaratnam				
		Mr. A. S. G. S. Pieries (Appointed w.e.f. 05.03.2026)		Management Fees	(87,661,213)	
Colombo Fort Hotels Ltd.	Immediate Parent Company	Mr. S. D. R. Arudpragasam	20,074,438	Loan Settlement	(20,074,438)	-
		Mr. S. Rajaratnam				
		Mr. Amrit Rajaratnam				
		Mr. Anushman Rajaratnam				
Colombo Fort Hotels Ltd.	Immediate Parent Company	Mr. S. D. R. Arudpragasam	(67,820,361)	Fund Transfer	820,361	(67,000,000)
		Mr. Amrit Rajaratnam				
		Mr. S. Rajaratnam				
		Mr. Anushman Rajaratnam				
Lankem Ceylon PLC	Parent	Mr. S. D. R. Arudpragasam	(242,280)	Fund Transfer	(242,280)	-
		Mr. Anushman Rajaratnam				
		Mr. S. B. Perera				
Colombo Fort Group Services (Pvt) Ltd	Related Company	Mr. S. D. R. Arudpragasam	(644,089)	Expenses	(8,257,279)	(630,818)
		Mr. Anushman Rajaratnam		Fund Transfer	8,270,550	
Union Investments (Pvt) Ltd	Related Company	Mr. S. D. R. Arudpragasam	-	Loan	(10,000,000)	(3,016,430)
		Mr. S. Rajaratnam		Loan Settlement	7,500,000	
		Mr. Anushman Rajaratnam		Loan Interest	(516,430)	

32.7.2. COMPANY

Name of the Company For the Year Ended 31st March	Relationship	Name of Director	Balance as at 01.04.2025 Receivable / (Payable) Rs.	Nature of Transaction	Amount Received / (Charged) Rs.	Balance as at 31.03.2026 Receivable / (Payable) Rs.
B. O. T. Hotel Services (Pvt) Ltd.	Subsidiary Company	Mr. S. D. R. Arudpragasam	9,073,223	Expenses	1,800,000	14,793,459
		Mr. S. Rajaratnam		Fund Transfers	3,920,236	
		Mr. Amrit Rajaratnam				
York Hotel Management	Related Company	Mr. S. D. R. Arudpragasam	52,485,200	Management Fees	(87,661,213)	16,180,065
Services Ltd.		Mr. S. Rajaratnam		Fund Transfer	51,356,078	
		Mr. Amrit Rajaratnam				
		Mr. Anushman Rajaratnam				
		Mr. A. S. G. S. Pieries (Appointed w.e.f. 05.03.2026)				
Colombo Fort Hotels Ltd	Immediate Parent Company	Mr. S. D. R. Arudpragasam	20,074,438	Loan Settlement	(20,074,438)	-
		Mr. S. Rajaratnam			-	
		Mr. Amrit Rajaratnam				
		Mr. Anushman Rajaratnam				
Colombo Fort Group Services (Pvt) Ltd	Related Company	Mr. S. D. R. Arudpragasam	(644,089)	Expenses	(8,257,279)	(630,818)
		Mr. Anushman Rajaratnam		Fund Transfer	8,270,550	
Union Investments (Pvt) Ltd	Related Company	Mr. S. D. R. Arudpragasam	-	Loan	(10,000,000)	(3,016,430)
		Mr. S. Rajaratnam		Loan Settlement	7,500,000	
		Mr. Anushman Rajaratnam		Loan Interest	(516,430)	

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS

33.1. Financial Instruments - Statement of Financial Position

		GROUP		COMPANY	
As At 31st March		2026	2025	2026	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Investment in Subsidiaries	(13)	-	-	378,959,070	378,959,070
Other Financial Assets	(14)	864,190	682,688	864,190	682,688
		864,190	682,688	379,823,260	379,641,758
Financial Assets					
Loans & Receivables					
Trade and Other Receivables	(16)	113,728,975	71,157,700	113,543,248	70,967,208
Amounts Due from Related Parties	(18)	16,180,065	72,559,638	30,973,524	81,632,861
		129,909,040	143,717,338	144,516,772	152,600,069
Cash and Cash Equivalents	(19)	15,202,977	20,292,784	15,108,870	20,111,289
Total		145,976,207	164,692,810	539,448,902	552,353,116
Financial Liabilities					
Other Financial Liabilities					
Interest Bearing Borrowings	(22)	326,939,679	391,875,319	326,939,679	391,875,319
Lease Liabilities	(23)	24,677,360	24,207,059	24,677,360	24,207,059
Trade & Other Payables	(26)	138,467,707	138,820,728	138,196,170	138,075,690
Amounts Due to Related Companies	(27)	70,647,248	68,706,730	3,647,248	644,089
Bank Overdrafts	(28)	177,577,863	122,560,713	177,577,863	122,420,220
Total		738,309,857	746,170,549	671,038,320	677,222,377

33.2. Financial Instruments - Statement of Comprehensive Income

As At 31st March	2026		2025	
	Gain/Income Rs.	Losses/ Expenses Rs.	Gain/Income Rs.	Losses/ Expenses Rs.
GROUP				
Amounts Due from Related Companies	653,244	-	806,703	-
Amount Due to Related Companies	-	1,253,115	-	-
Interest Bearing Borrowings	-	34,550,350	-	39,872,662
Lease Liabilities	-	4,070,301	-	3,954,423
Total	653,244	39,873,766	806,703	43,827,085
COMPANY				
Amounts Due from Related Companies	653,244	-	806,703	-
Amount Due to Related Companies	-	1,253,115	-	-
Interest Bearing Borrowings	-	34,550,350	-	39,872,662
Lease Liabilities	-	4,070,301	-	3,954,423
Total	653,244	39,873,766	806,703	43,827,085

33.3. ACCOUNTING CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at either fair value or amortised cost. The following table analyses the carrying amount of financial assets and liabilities of the Group and the Company.

33.3.1. Carrying Amounts

As at 31st March 2026		Group			
		Amortized Cost	Fair Value Through Other Comprehensive Income	Fair Value Through Profit or Loss	Total Carrying Amount
	Notes	Rs.	Rs	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	864,190	-	-	864,190
Trade and Other Receivables	(16)	113,728,975	-	-	113,728,975
Amounts Due from Related Parties	(18)	16,180,065	-	-	16,180,065
Cash and Cash Equivalents	(19)	15,202,977	-	-	15,202,977
Total Financial Assets		145,976,207	-	-	145,976,207
Financial Liabilities					
Interest Bearing Borrowings	(22)	326,939,679	-	-	326,939,679
Lease Liabilities	(23)	24,677,360	-	-	24,677,360
Trade & Other Payables	(26)	138,467,707	-	-	138,467,707
Amounts Due to Related Parties	(27)	70,647,248	-	-	70,647,248
Bank Overdrafts	(28)	177,577,863	-	-	177,577,863
Total Financial Liabilities		738,309,857	-	-	738,309,857

33.3.2. Fair Value Vs Carrying Amounts

As at 31st March 2025		Amortized Cost	Fair Value Through Other Comprehensive Income	Fair Value Through Profit or Loss	Total Carrying Amount
	Notes	Rs.	Rs.	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	682,688	-	-	682,688
Trade and Other Receivables	(16)	71,157,700	-	-	71,157,700
Amounts Due from Related Parties	(18)	72,559,638	-	-	72,559,638
Cash and Cash Equivalents	(19)	20,292,784	-	-	20,292,784
Total Financial Assets		164,692,810	-	-	164,692,810
Financial Liabilities					
Interest Bearing Borrowings	(22)	391,875,319	-	-	391,875,319
Lease Liabilities	(23)	24,207,059	-	-	24,207,059
Trade & Other Payables	(26)	138,820,728	-	-	138,820,728
Amounts Due to Related Parties	(27)	68,706,730	-	-	68,706,730
Bank Overdrafts	(28)	122,560,713	-	-	122,560,713
Total Financial Liabilities		746,170,549	-	-	746,170,549

NOTES TO THE FINANCIAL STATEMENTS

33.3.3. Carrying Amounts

As at 31st March 2026		Company			
		Amortized Cost	Fair Value Through Other Comprehensive Income	Fair Value Through Profit or Loss	Total Carrying Amount
	Notes	Rs.	Rs	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	864,190	-	-	864,190
Trade and Other Receivables	(16)	113,543,248	-	-	113,543,248
Amounts Due from Related Parties	(18)	30,973,524			30,973,524
Cash and Cash Equivalents	(19)	15,108,870	-	-	15,108,870
Total Financial Assets		160,489,832	-	-	160,489,832
Financial Liabilities					
Interest Bearing Borrowings	(22)	326,939,679	-	-	326,939,679
Lease Liabilities	(23)	24,677,360	-	-	24,677,360
Trade & Other Payables	(26)	138,196,170	-	-	138,196,170
Amounts Due to Related Parties	(27)	3,647,248	-	-	3,647,248
Bank Overdrafts	(28)	177,577,863	-	-	177,577,863
Total Financial Liabilities		671,038,320	-	-	671,038,320

33.3.4. Fair Value Vs Carrying Amounts

As at 31st March 2025		Amortized Cost	Fair Value Through Other Comprehensive Income	Fair Value Through Profit or Loss	Total Carrying Amount
	Notes	Rs.	Rs.	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	682,688	-	-	682,688
Trade and Other Receivables	(16)	70,967,208	-	-	70,967,208
Amounts Due from Related Parties	(18)	81,632,861	-	-	81,632,861
Cash and Cash Equivalents	(19)	20,111,289	-	-	20,111,289
Total Financial Assets		173,394,046	-	-	173,394,046
Financial Liabilities					
Interest Bearing Borrowings	(22)	391,875,319	-	-	391,875,319
Lease Liabilities	(23)	24,207,059	-	-	24,207,059
Trade & Other Payables	(26)	138,075,690	-	-	138,075,690
Amounts Due to Related Parties	(27)	644,089	-	-	644,089
Bank Overdrafts	(28)	122,420,220	-	-	122,420,220
Total Financial Liabilities		677,222,377	-	-	677,222,377

33.4. FINANCIAL INSTRUMENTS - FAIR VALUE

The fair value of financial assets and financial liabilities, together with the carrying amounts shown in the Statement of Financial Position as at the Reporting Dates are as follows:

33.4.1. Fair Value Vs Carrying Amounts

As at 31st March 2026		GROUP		COMPANY	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Notes	Rs.	Rs	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	864,190	864,190	864,190	864,190
Trade and Other Receivables	(16)	113,728,975	113,728,975	113,543,248	113,543,248
Amounts Due from Related Parties	(18)	16,180,065	16,180,065	30,973,524	30,973,524
Cash and Cash Equivalents	(19)	15,202,977	15,202,977	15,108,870	15,108,870
Total Financial Assets		145,976,207	145,976,207	160,489,832	160,489,832
Financial Liabilities					
Interest Bearing Borrowings	(22)	326,939,679	326,939,679	326,939,679	326,939,679
Lease Liabilities	(23)	24,677,360	24,677,360	24,677,360	24,677,360
Trade & Other Payables	(26)	138,467,707	138,467,707	138,196,170	138,196,170
Amounts Due to Related Parties	(27)	70,647,248	70,647,248	3,647,248	3,647,248
Bank Overdrafts	(28)	177,577,863	177,577,863	177,577,863	177,577,863
Total Financial Liabilities		738,309,857	738,309,857	671,038,320	671,038,320

33.4.2. Fair Value Vs Carrying Amounts

As at 31st March 2025		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		Rs.	Rs.	Rs.	Rs.
Financial Assets					
Other Financial Assets	(14)	682,688	682,688	682,688	682,688
Trade and Other Receivables	(16)	71,157,700	71,157,700	70,967,208	70,967,208
Amounts Due from Related Parties	(18)	72,559,638	72,559,638	81,632,861	81,632,861
Cash and Cash Equivalents	(19)	20,292,784	20,292,784	20,111,289	20,111,289
Total Financial Assets		164,692,810	164,692,810	173,394,046	173,394,046
Financial Liabilities					
Interest Bearing Borrowings	(22)	391,875,319	391,875,319	391,875,319	391,875,319
Lease Liabilities	(23)	24,207,059	24,207,059	24,207,059	24,207,059
Trade & Other Payables	(26)	138,820,728	138,820,728	138,075,690	138,075,690
Amounts Due to Related Parties	(27)	68,706,730	68,706,730	644,089	644,089
Bank Overdrafts	(28)	122,560,713	122,560,713	122,420,220	122,420,220
Total Financial Liabilities		746,170,549	746,170,549	677,222,377	677,222,377

NOTES TO THE FINANCIAL STATEMENTS

33.4.3. Fair Value Measurement

The following methods and assumptions were used to estimate the fair values:

Cash & Cash Equivalents, Trade & Other Receivables, Trade & Other Payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value not based on observable market data.

33.4.4. The following tables show an analysis of financial instruments at fair value & by levels of fair value hierarchy.

As at 31st March 2026	GROUP				
	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets measured at Fair Value					
Other Financial Assets	864,190	-	-	864,190	864,190
Trade and Other Receivables	113,728,975	-	-	113,728,975	113,728,975
Amounts Due from Related Parties	16,180,065	-	-	16,180,065	16,180,065
Cash and Cash Equivalents	15,202,977	-	-	15,202,977	15,202,977
Total Financial Assets	145,976,207	-	-	145,976,207	145,976,207
Financial Liabilities measured at Fair Value					
Interest Bearing Borrowings	326,939,679	-	-	326,939,679	326,939,679
Lease Liabilities	24,677,360	-	-	24,677,360	24,677,360
Trade & Other Payables	138,467,707	-	-	138,467,707	138,467,707
Amounts Due to Related Parties	70,647,248	-	-	70,647,248	70,647,248
Bank Overdrafts	177,577,863	-	-	177,577,863	177,577,863
Total Financial Liabilities	738,309,857	-	-	738,309,857	738,309,857

As at 31st March 2025	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial Assets measured at Fair Value					
Other Financial Assets	682,688	-	-	682,688	682,688
Trade and Other Receivables	71,157,700	-	-	71,157,700	71,157,700
Amounts Due from Related Parties	72,559,638	-	-	72,559,638	72,559,638
Cash and Cash Equivalents	20,292,784	-	-	20,292,784	20,292,784
Total Financial Assets	164,692,810	-	-	164,692,810	164,692,810
Financial Liabilities measured at Fair Value					
Interest Bearing Borrowings	391,875,319	-	-	391,875,319	391,875,319
Lease Liabilities	24,207,059	-	-	24,207,059	24,207,059
Trade & Other Payables	138,820,728	-	-	138,820,728	138,820,728

As at 31st March 2025	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Amounts Due to Related Parties	68,706,730	-	-	68,706,730	68,706,730
Bank Overdrafts	122,560,713	-	-	122,560,713	122,560,713
Total Financial Liabilities	746,170,549	-	-	746,170,549	746,170,549

33.4.5

As at 31st March 2026	COMPANY				
	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets measured at Fair Value					
Other Financial Assets	864,190	-	-	864,190	864,190
Trade and Other Receivables	113,543,248	-	-	113,543,248	113,543,248
Amounts Due from Related Parties	30,973,524	-	-	30,973,524	30,973,524
Cash and Cash Equivalents	15,108,870	-	-	15,108,870	15,108,870
Total Financial Assets	160,489,832	-	-	160,489,832	160,489,832
Financial Liabilities measured at Fair Value					
Interest Bearing Borrowings	326,939,679	-	-	326,939,679	326,939,679
Lease Liabilities	24,677,360	-	-	24,677,360	24,677,360
Trade & Other Payables	138,196,170	-	-	138,196,170	138,196,170
Amounts Due to Related Parties	3,647,248	-	-	3,647,248	3,647,248
Bank Overdrafts	177,577,863	-	-	177,577,863	177,577,863
Total Financial Liabilities	671,038,320	-	-	671,038,320	671,038,320

As at 31st March 2025	Total Carrying Amount	Level 1	Level 2	Level 3	Fair Value
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets measured at Fair Value					
Other Financial Assets	682,688	-	-	682,688	682,688
Trade and Other Receivables	70,967,208	-	-	70,967,208	70,967,208
Amounts Due from Related Parties	81,632,861	-	-	81,632,861	81,632,861
Cash and Cash Equivalents	20,111,289	-	-	20,111,289	20,111,289
Total Financial Assets	173,394,046	-	-	173,394,046	173,394,046
Financial Liabilities measured at Fair Value					
Interest Bearing Borrowings	391,875,319	-	-	391,875,319	391,875,319
Lease Liabilities	24,207,059	-	-	24,207,059	24,207,059
Trade & Other Payables	138,075,690	-	-	138,075,690	138,075,690
Amounts Due to Related Parties	644,089	-	-	644,089	644,089
Bank Overdrafts	122,420,220	-	-	122,420,220	122,420,220
Total Financial Liabilities	677,222,377	-	-	677,222,377	677,222,377

33.4.6. Transfers Between Levels of Fair Value Hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

34. RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated this responsibility to the Audit Committee which is supported by the Senior Management of the Company in identifying, measuring and managing the risks of the Company.

34.1. Credit Risk

Credit risk is the risk that a counter party 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 through the use of other financial instruments.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the Reporting Date is as follows:

		Group		Company	
For the Year Ended 31st March		**2026**	2025	**2026**	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Other Financial Assets	(14)	**864,190**	682,688	**864,190**	682,688
Trade and Other Receivables	(16)	**113,728,975**	71,157,700	**113,543,248**	70,967,208
Amounts Due from Related Parties	(18)	**16,180,065**	72,559,638	**30,973,524**	81,632,861
Cash and Cash Equivalents	(19)	**15,202,977**	20,292,784	**15,108,870**	20,111,289
		145,976,207	164,692,810	**160,489,832**	173,394,046

34.1.1. Impairment Losses

34.1.1.1 Trade & Other Receivables

The aging of Trade Receivables as at the Reporting Date was;

	Gross	Impairment	Gross	Impairment
For the Year Ended 31st March	**2026**	**2026**	2025	2025
GROUP	Rs.	Rs.	Rs.	Rs.
Not Past Due	-	-	-	-
Past due 0 - 31 days	**36,239,548**	-	13,608,381	-
Past due 31 - 365 days	**17,697,611**	**(1,046,558)**	35,944,811	(1,366,123)
More than One Year	**8,025,858**	**(8,025,858)**	8,246,292	(8,246,292)
	61,963,017	**(9,072,416)**	57,799,484	(9,612,415)

	Gross	Impairment	Gross	Impairment
For the Year Ended 31st March	**2026**	**2026**	2025	2025
COMPANY	Rs.	Rs.	Rs.	Rs.
Not Past Due	-	-	-	-
Past due 0 - 31 days	**36,239,548**	-	13,608,381	-
Past due 31 - 365 days	**17,697,611**	**(1,046,558)**	35,944,811	(1,366,123)
More than One Year	**8,025,858**	**(8,025,858)**	8,246,292	(8,246,292)
	61,963,017	**(9,072,416)**	57,799,484	(9,612,415)

34.1.1.2. Amount Due From Related Parties

The aging of Amounts Due from Related Companies as at the Reporting Date was;

	Gross	Impairment	Gross	Impairment
For the Year Ended 31st March	2026	2026	2025	2025
GROUP	Rs.	Rs.	Rs.	Rs.
Not Past Due	-	-	-	-
Past due 31 - 365 days	16,180,065	-	72,559,638	-
More than One Year	-	-	-	-
	16,180,065	-	72,559,638	-

	Gross	Impairment	Gross	Impairment
For the Year Ended 31st March	2026	2026	2025	2025
COMPANY	Rs.	Rs.	Rs.	Rs.
Not Past Due	-	-	-	-
Past due 31 - 365 days	23,830,302	-	81,632,861	-
More than One Year	7,143,222	-	-	-
	30,973,524	-	81,632,861	-

Based on historic default rates, the Company believe that, no impairment allowance is necessary in respect of Amounts Due from Related Companies not past dues or past due by up to 365 days.

34.2. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group.

The following are the contractual maturities of financial liabilities, at the reporting date. The amounts are gross and undiscounted, and contractual interest payments and exclude the impact of netting agreements.

As at 31st March 2026		Amount	Contractual Cash Flows	12 Months or Less	1 - 2 Years	2 - 5 Years	More than 5 Years
	Notes	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
GROUP							
Non-derivative Financial Liabilities							
Interest Bearing Borrowings	(22)	326,939,679	(326,939,679)	(70,828,379)	(163,334,822)	(53,993,038)	(38,783,440)
Lease Liabilities	(23.1)	24,677,360	(24,677,360)				
Trade & Other Payables	(26)	138,467,707	(138,467,707)	(138,467,707)	-	-	-
Amounts Due to Related Parties	(27)	70,647,248	(70,647,248)	(70,647,248)	-	-	-
Bank Overdrafts	(28)	177,577,863	(177,577,863)	(177,577,863)	-	-	-
		738,309,857	(738,309,857)	(457,521,197)	(163,334,822)	(53,993,038)	(38,783,440)

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2026	Notes	Amount Rs.	Contractual Cash Flows Rs.	12 Months or Less Rs.	1 - 2 Years Rs.	2 - 5 Years Rs.	More than 5 Years Rs.
COMPANY							
Non-derivative Financial Liabilities							
Interest Bearing Borrowings	(22)	326,939,679	(326,939,679)	(70,828,379)	(163,334,822)	(53,993,038)	(38,783,440)
Lease Liabilities	(23.2)	24,677,360	(24,677,360)				
Trade & Other Payables	(26)	138,196,170	(138,196,170)	(138,196,170)	-	-	-
Amounts Due to Related Parties	(27)	3,647,248	(3,647,248)	(3,647,248)	-	-	-
Bank Overdrafts	(28)	177,577,863	(177,577,863)	(177,577,863)	-	-	-
		671,038,320	(671,038,320)	(390,249,660)	(163,334,822)	(53,993,038)	(38,783,440)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Note 01: Loans denominated in foreign currency had been obtained by the Company from the Cargills Bank, and the payable balance of the loan can be changed depending on the exchange rate.

For the Year Ended 31st March	Notes	Amount Rs.	Contractual Cash Flows Rs.	12 Months or Less Rs.	1 - 2 Years Rs.	2 - 5 Years Rs.	More than 5 Years Rs.
GROUP							
Non-derivative Financial Liabilities							
Interest Bearing Borrowings	(22)	391,875,319	(461,669,662)	(123,348,151)	(114,747,136)	(222,568,018)	(1,006,357)
Lease Liabilities	(23.1)	24,207,059	(66,946,136)	(3,323,076)	(3,323,076)	(13,153,843)	(47,146,141)
Trade & Other Payables	(26)	138,820,728	(138,820,728)	(138,820,728)	-	-	-
Amounts Due to Related Parties	(27)	68,706,730	(68,706,730)	(68,706,730)	-	-	-
Bank Overdrafts	(28)	122,560,713	(122,560,713)	(122,560,713)	-	-	-
		746,170,549	(858,703,969)	(456,759,398)	(118,070,212)	(235,721,861)	(48,152,498)
COMPANY							
Non-derivative Financial Liabilities							
Interest Bearing Borrowings	(22)	391,875,319	(461,669,662)	(123,348,151)	(114,747,136)	(222,568,018)	(1,006,357)
Lease Liabilities	(23.2)	24,207,059	(66,946,136)	(3,323,076)	(3,323,076)	(13,153,843)	(47,146,141)
Trade & Other Payables	(26)	138,075,690	(138,075,690)	(138,075,690)	-	-	-
Amounts Due to Related Parties	(27)	644,089	(644,089)	(644,089)	-	-	-
Bank Overdrafts	(28)	122,420,220	(122,420,220)	(122,420,220)	-	-	-
		677,222,377	(789,755,797)	(387,811,226)	(118,070,212)	(235,721,861)	(48,152,498)

34.3. 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 mainly comprise two types of risks, currency risk, interest rate risks. Financial instruments affected by market risk include bank loans, investments and trade payables.

34.3.1. Currency Risk

Exposure to Currency Risk

The Company's exposure to foreign currency risk was as follows based on notional amounts;

For the Year Ended 31st March	2025/26		2024/25	
	USD	**EUR**	USD	EUR
Trade & Other Receivables	**53,008**	**-**	42,637	-
Interest Bearing Borrowings	**(535,345)**	**-**	(676,587)	-
Total Exposure	**(482,337)**	**-**	(633,950)	-

The following significant exchange rates have been applied during the year:

For the Year Ended 31st March	Average Rate		Reporting Date / Spot Rate	
	2025/26	2024/25	**2025/26**	2024/25
USD	**304.35**	297.76	**315.19**	296.35
EUR	**352.86**	319.25	**361.74**	319.86

34.3.1.1. Sensitivity Analysis

A strengthening of LKR, as indicated below against the USD and EURO as at 31st March 2025 would have increased / (Decreased) the equity and profit or loss by amounts shown below. This analysis is based on foreign currency exchange rate variance that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables particular interest rates remain constant.

For the Year Ended 31st March		Strengthening / (Weakening) in Exchange Rate USD	Effect on Profit Before Tax (Rs.)
As at 31st March 2026	USD	10%	(15,202,775)
		-10%	15,202,775
As at 31st March 2025	USD	10%	(24,463,831)
		-10%	24,463,831

34.3.2. 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 following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant of the Group's profit before tax (through the impact on floating rate borrowings).

GROUP For the Year Ended 31st March	Increase/ (Decrease) in Interest Rate	Effect on Profit before Tax (Rs.)	Effect on Equity (Rs.)
2026	**1%**	**(525,829)**	**(525,829)**
	-1%	**525,829**	**525,829**
2025	1%	(578,093)	(578,093)
	-1%	578,093	578,093

COMPANY For the Year Ended 31st March	Increase/ (Decrease) in Interest Rate	Effect on Profit before Tax (Rs.)	Effect on Equity (Rs.)
2026	**1%**	**(525,769)**	**(525,769)**
	-1%	**525,769**	**525,769**
2025	1%	(577,772)	(577,772)
	-1%	577,772	577,772

As at the Reporting Date the interest rate profile of the Company's interest bearing financial instruments was;

		Carrying Amount Group		Carrying Amount Company	
For the Year Ended 31st March		**2026**	2025	**2026**	2025
	Notes	Rs.	Rs.	Rs.	Rs.
Fixed Rate Instruments					
Financial Liabilities	(22)	**168,735,289**	197,563,522	**168,735,289**	197,563,522
		168,735,289	197,563,522	**168,735,289**	197,563,522
Variable Rate Instruments					
Financial Liabilities	(22)	**158,204,390**	194,311,797	**158,204,390**	194,311,797
		158,204,390	194,311,797	**158,204,390**	194,311,797

35. CAPITAL MANAGEMENT

The Groups objectives when managing capital are to safeguard the Group's ability to continue as a Going Concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of the capital.

The Capital consists of Ordinary Shares, Retained Earnings and Revaluation Reserve of the Company.

The Company's Net Debt to Adjusted Equity Ratio as at the Reporting Date was as follows;

	GROUP		COMPANY	
For the Year Ended 31st March	**2025/2026**	2024/2025	**2025/2026**	2024/2025
	Rs.	Rs.	Rs.	Rs.
Net Debt	**726,102,266**	725,877,765	**658,924,836**	657,111,088
Total Equity	**615,842,532**	512,690,464	**467,203,672**	347,075,624
Debt-to-Equity Ratio	**1.18**	1.42	**1.41**	1.89

36. OPERATING SEGMENTS

	Food		Apartments		Beverage		Others		Total	
For the Year Ended 31st March	**2025/26**	2024/25	**2025/26**	2024/25	**2025/26**	2024/25	**2025/26**	2024/25	**2025/26**	2024/25
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Revenue	**371,936**	395,436	**367,428**	357,805	**83,881**	76,167	**19,302**	11,848	**842,547**	841,256
Cost of Sale	**(168,307)**	(178,941)	**(51,928)**	(50,229)	**(50,350)**	(45,720)	**(2,550)**	(1,565)	**(273,135)**	(276,455)
Gross Profit	**203,629**	216,495	**315,500**	307,577	**33,531**	30,447	**16,752**	10,283	**569,412**	564,802

SHARE INFORMATION

DISTRIBUTION OF SHARES

No. of Shares Held	As At 31st March 2026			As At 31st March 2025		
	No of Shareholders	Total Holding	%	No of Shareholders	Total Holding	%
1-1,000	1,668	476,852	0.07	1,435	385,328	0.06
1,001-10,000	1,040	4,781,091	0.68	753	3,410,537	0.48
10,001-100,000	653	26,571,520	3.79	409	15,586,381	2.23
100,001-1,000,000	241	72,738,450	10.38	177	62,235,102	8.88
Over 1,000,000	44	595,976,382	85.07	49	618,926,947	88.35
	3,646	700,544,295	100.00	2,823	700,544,295	100.00

ANALYSIS OF ORDINARY SHAREHOLDERS

	As At 31st March 2026			As At 31st March 2025		
	No. of Shareholders	Total Holdings	%	No. of Shareholders	Total Holdings	%
Individuals	3,478	134,292,097	19.17	2,687	128,538,399	18.35
Institutions	168	566,252,198	80.83	136	572,005,896	81.65
	3,646	700,544,295	100.00	2,823	700,544,295	100.00

PUBLIC HOLDING

The Percentage of Shares held by the public as at 31st March 2026 was 29.83% (31.03.2025 - 29.54%).

The applicable option under CSE Rule 7.13.1 (i) b on minimum public holding is option 2 and the Float Adjusted Market Capitalization as of 31st March 2026 was Rs. 626,917,089.60

The Number of Public Shareholders as at 31st March 2026 were 3,632

Market Prices of the Year	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.
Highest Price	4.50	4.80
Lowest Price	2.80	1.30
Value As At The Year End	3.00	3.70

TOP 20 SHAREHOLDERS COMPARATIVES

Position	Name of the Shareholder	31.03.2026		31.03.2025	
		No. of Shares	Percentage	No. of Shares	Percentage
1	COLOMBO FORT HOTELS LIMITED	464,138,216	66.25%	464,138,216	66.25%
2	MR. SHANAKA ASITHA COORAY AND MR. PATHMASIRI THOMPSON COORAY	15,000,000	2.14%	19,296,000	2.75%
3	FINANCIAL TRUST LIMITED	14,203,775	2.03%	15,747,575	2.25%
4	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	8,907,037	1.27%	11,556,396	1.65%
5	MERCHANT BANK OF SRI LANKA & FINANCE PLC/ G.K.G.L WIJAYATHILAKE	5,187,500	0.74%	5,187,500	0.74%
6	MR. LEKAMWASAM HIKKADUWA LIYANAGE MAHINDA PADMASIRI HARADASA	5,000,050	0.71%	5,010,750	0.72%
7	MR. KAPILA SURIARACHCHI	5,000,000	0.71%	5,000,000	0.71%
8	PEOPLE'S LEASING & FINANCE PLC/ L.H.L.M.P.HARADASA	4,985,100	0.71%	4,938,823	0.70%
9	SENKADAGALA FINANCE PLC/S.GOBINATH	4,600,000	0.66%	-	-
10	HATTON NATIONAL BANK PLC/ARUNASALAM SITHAMPALAM	4,200,000	0.60%	4,200,000	0.60%
11	MR. WEERATHUNGA ARACHCHIGE SAMPATH PALITHA DE SARAM	3,700,934	0.53%	2	0.00%
12	SIGIRIYA VILLAGE HOTELS PLC	3,498,070	0.50%	3,998,070	0.57%
13	MR. MOHOMED SHIFAZ RIYAZ	3,026,130	0.43%	500	0.00%
14	MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	3,000,000	0.43%	-	-
15	COLOMBO FORT INVESTMENTS PLC	3,000,000	0.43%	3,000,000	0.43%
16	COLOMBO INVESTMENT TRUST PLC	3,000,000	0.43%	3,000,000	0.43%
17	JACEY TRUST SERVICES (PRIVATE)LIMITED-ACCOUNT NO 01	3,000,000	0.43%	3,000,000	0.43%
18	MR. SOMADASA PALIHAWADANA AND MRS. RAMANI SUJATHA DALUWATTA	2,900,000	0.41%	1,105,695	0.16%
19	SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	2,637,708	0.38%	2,046,963	0.29%
20	MR. RAVINDRA ERLE RAMBUKWELLE	2,635,000	0.38%	2,785,000	0.40%
		561,619,520	80.17%	554,011,490	78.37%

FIVE YEAR SUMMARY

GROUP

For the Year Ended 31st March	2025/26	2024/25	2023/24	2022/23	2021/22
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Trading Results					
Revenue	842,547	841,257	722,507	368,580	242,906
Profit / (Loss) Before Taxation	75,718	138,597	77,588	(211,719)	(145,706)
Share Capital & Reserves					
Stated Capital	120,000	120,000	460,653	340,000	340,000
Reserves	330,416	221,947	(320,885)	(496,921)	(168,781)
Shareholders' Funds	450,416	341,947	139,769	(156,921)	171,219
Assets & Liabilities					
Property , Plant & Equipment	1,564,095	1,342,929	1,076,987	1,059,753	1,078,300
Net Current Assets / (Liabilities)	(303,351)	(251,416)	(279,360)	(424,965)	(294,692)
Non Current Liabilities	652,755	604,323	538,121	676,286	466,187
Financial Ratios					
Profitability					
Pre- Tax					
Profit Turnover (%)	8.99	16.48	10.74	(57.44)	(59.98)
Pre- Tax Profit					
Shareholder's Funds (%)	16.81	40.53	55.51	(134.92)	(85.10)
Liquidity					
Current Assets : Current Liabilities	0.35	0.42	0.38	0.25	0.27
Capital Ratio					
Property , Plant & Equipment :					
Shareholders' Funds	3.47	3.93	7.71	(6.75)	6.29
Dividend Per Share	-	0.10	-	-	-
Dividend Pay Out	-	71.42%	-	-	-
Others					
Earnings / (Loss) Per Share	(0.004)	0.14	0.30	(0.47)	(0.23)
Net Assets Per Share (Rs.)	0.61	0.46	0.19	(0.26)	0.29

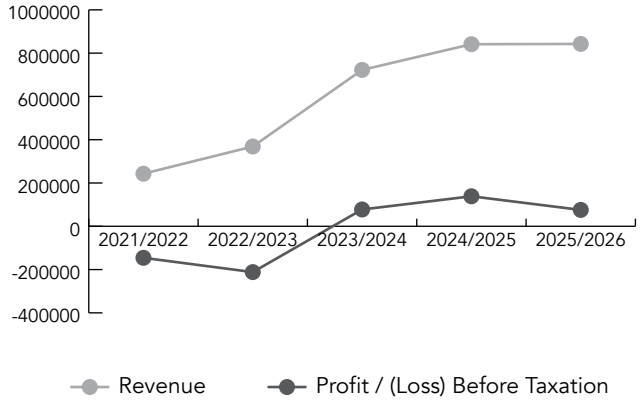
COMPANY

For the Year Ended 31st March	2025/26	2024/25	2023/24	2022/23	2021/22
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Occupancy	77%	84%	70%	43%	53%
Trading Results					
Turnover	842,547	841,257	722,507	368,580	242,906
Profit / (Loss) Before Taxation	75,718	138,597	156,478	(206,545)	(137,399)
Share Capital & Reserves					
Stated Capital	120,000	120,000	460,653	340,000	340,000
Reserves	347,204	227,076	(222,465)	(471,183)	(200,752)
Shareholders' Funds	467,204	347,076	238,188	(131,183)	139,248
Assets & Liabilities					
Property , Plant & Equipment	740,369	506,521	442,271	412,928	419,367
Net Current Assets / (Liabilities)	(221,566)	(173,766)	(211,927)	(378,933)	(292,639)
Non Current Liabilities	440,172	389,639	386,619	523,676	398,081
Financial Ratios					
Profitability					
Pre- Tax					
Profit Turnover (%)	8.99	16.47	21.66	(56.04)	(56.56)
Pre- Tax Profit					
Shareholder's Funds (%)	16.21	39.93	65.70	(157.45)	(98.67)
Liquidity					
Current Assets : Current Liabilities	0.44	0.53	0.46	0.26	0.27
Capital Ratio					
Property , Plant & Equipment :					
Shareholders' Funds	1.58	1.46	1.86	(3.15)	3.01
Others					
Earnings / (Loss) Per Share	0.01	0.15	0.41	(0.47)	(0.23)
Net Assets Per Share (Rs.)	0.67	0.50	0.34	(0.22)	0.23

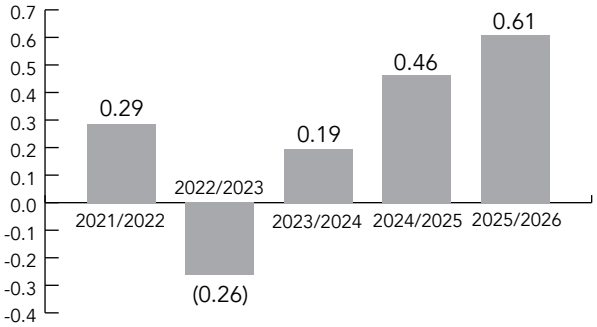
FIVE YEAR SUMMARY

GROUP

GRAPHICAL REVIEW

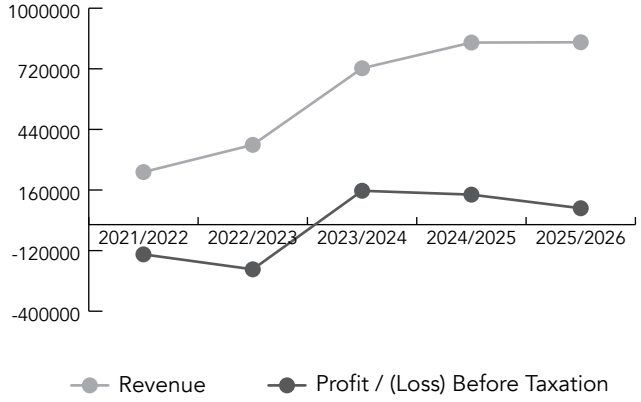


NET ASSETS PER SHARE

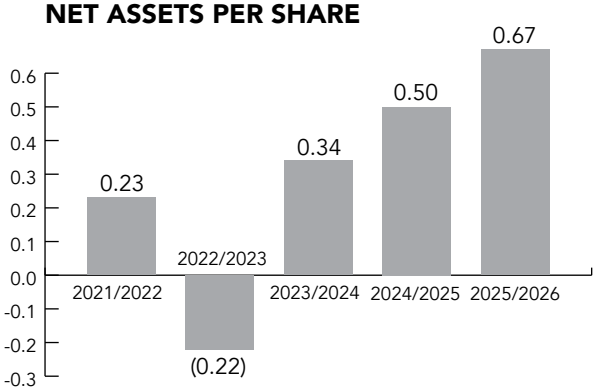


COMPANY

GRAPHICAL REVIEW



NET ASSETS PER SHARE



FORM OF PROXY

I/We the undersigned ..... of

.....

being a member/members of BERUWALA RESORTS PLC hereby appoint ……..…..

..... of

..... or failing him

1.	Sri Dhaman Rajendram Arudpragasam	of Colombo or failing him
2.	Sanjeev Rajaratnam	of Colombo or failing him
3.	Amrit Rajaratnam	of Colombo or failing him
4.	Anushman Rajaratnam	of Colombo or failing him
5.	Shrihan Blaise Perera	of Colombo or failing him
6.	Jayantissa Emalka Pohath Kehelpannala	of Colombo or failing him
7.	Asantha Sunanda Gunasekerage Senanayake Pieries	of Colombo

as my / our proxy to represent me/us and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 21st August 2026 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

		For	Against
1.	To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026, with the Report of the Auditors thereon	◯	◯
2.	To re-elect Mr. Sanjeev Rajaratnam as a Director	◯	◯
3.	To re-elect Mr. Amrit Rajaratnam as a Director	◯	◯
4.	To re-elect Mr. A.S.G.S. Pieries as a Director	◯	◯
5.	To reappoint Mr. S.D.R. Arudpragasam as a Director	◯	◯
6.	To authorise the Directors to determine contributions to charities.	◯	◯
7.	To reappoint as Auditors, Messrs B.R. De Silva & Co. Chartered Accountants, and authorise the Directors to determine their remuneration	◯	◯

Signed this ..... day of ..... Two Thousand and Twenty Six.

.....
Signature of Shareholder(s)

Instructions as to completion are stated on the reverse hereof.

Note:

Please delete the inappropriate words.

A proxy need not be a member of the Company. If no words are deleted or there is in the view of the proxy doubt (by reason of the way in which instructions contained in the proxy form have been completed) as to the way in which the proxy should vote, the proxy will vote as he thinks fit.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Please perfect the Form of Proxy, after filling in legibly your full name and address by signing in the space provided and filling in the date of signature.

2. In the case of Company/Corporation, this Form of Proxy must be executed either under the Common Seal of the Company or by its Attorney or by an Authorised Officer on behalf of such Company / Corporation duly authorized in writing.

3. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company's Secretaries, the original POA together with a photocopy of the same, or a copy certified by a Notary Public must be lodged with the Company's Secretaries, along with the Form of Proxy.

4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers and Secretaries (Pvt) Limited, 8-5/2 Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.

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Annual Reports

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