NUMBERS SPEAK

Rs.80 Bn

+75% YoY

John Keells Holdings PLC
Annual Report 2025/26

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Rs.80 Bn

+75% YoY

For over 150 years, John Keells Group has been at the leading edge of Sri Lankan business and industry; cutting through convention, exploring new horizons and exceeding expectations to connect people with products and services that exemplify excellence in every detail.

The most capital-intensive phase of our recent investment cycle now draws to a close and we accelerate into the next phase with increasing momentum, all the while maintaining our focus on prudent capital stewardship, operational excellence and long-term perspective.

In the past, we have discussed our portfolio strategies involving several major investments anticipated to produce long-term returns. We have also explained the measurable impacts we have observed across our businesses through our data analytics practices, which have resulted in transformative impact and customer value.

This year, we let our numbers speak for themselves, as the Group achieved an EBITDA of Rs.80.01 billion, an increase of 75%. This notable achievement was driven by improved operating outcomes, broad-based earnings and strong returns, combined with consistent value creation from our established businesses.

Our portfolio is positioned to optimally deliver long-term value and we look forward to an exciting journey ahead, notwithstanding the headwinds we face as a country and across the world. Going forward, we will continue to contribute to economic development across the country, expanding our influence and positively impacting thousands of people and communities across Sri Lanka and beyond.

REPORTING UNIVERSE

In furtherance of the Group's comprehensive and integrated environmental, social and governance (ESG) reporting framework, the JKH Annual Report 2025/26 continues to be supplemented by various online publications and additional information, as outlined below.

	Financial and Operational Reporting	Environmental and Societal Reporting	Governance and Risk Management Reporting
Coverage	Contains information relating to the Group's financial performance and position, both annually and quarterly, including the sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) that are expected to have short, medium and long term financial impacts. The information is also complemented through details of key operational indicators, relevant SASB standards and GRI standards where relevant, and rationale of those performance indicators. While comparative performance has been provided in most such indicators, this being the first year of reporting under SLFRS S1 and S2, the Group has considered the transition relief for not reporting SASB indicators for this Report. Includes regulatory disclosures, such as SEC, CSE rules, SLFRS S1 and S2, and voluntary GRI standards.	Covers how the Group uses its expertise to create positive economic, environmental and societal impacts, including discussions on the Group based on Impact Materiality. Includes voluntary disclosures such as GRI.	Contains information and disclosures relating to aspects linked to governance, including board matters, ethics, key risks, risk management, and director remuneration. Disclosures demonstrate the manner in which the Group operates; through sound governance practices, and the highest standards of ethics, integrity, transparency and accountability. Also entails the circulars to shareholders, notices of meeting and forms of proxies, based on Code of Best Practice on Corporate Governance framework issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
Stakeholders Concerned	Primarily of interest to the Group's investors, capital providers, financial regulators and primary users of the Group financial report.	Primarily of interest to the Group's broader stakeholder groups inclusive of investors, prospective and current employees, regulators, NGOs, customers, suppliers and society.	Primarily of interest to the Group's investors, capital providers, regulators, employees, customers, suppliers and society leaders.

KEY REPORTING CHANNELS

2025/26 JKH Annual Report (A)
https://www.keells.com/resource/reports/annual-reports/John_Keells_Holdings_PLC_AR_2025_26_CSE.pdf

Communication on Progress for the UN Global Compact (A)
https://unglobalcompact.org/what-is-gc/participants/5652-John-Keells-Holdings-PLC

Recordings of Investor Webinars (A, Q)
https://www.keells.com/investor-relations/#annual-reports

Investor Presentations/Updates (A, Q)
https://www.keells.com/investor-relations/#annual-reports

Corporate Website (R)
https://www.keells.com/

Dedicated Website For Group's Corporate Social Responsibility (R)
https://www.johnkeellsfoundation.com/

Dedicated Website for Group's Social Entrepreneurship Project Aimed at Reducing Plastic Pollution (R)
https://www.keells.com/esg/#plasticcycle

Market Announcements/ Notice of Meeting and Related Proxies (R)
https://www.cse.lk/company-profile?symbol=JKH.N0000

Corporate Governance Framework (R)
https://www.keells.com/resource/reports/governance/John-Keells-Holdings-PLC-AR-2025_26-Corporate-Governance.pdf

AI-Powered Reporting Assistant (Chatbot) (R)
https://www.keells.com/investor-relations/

Performance and Disclosures for Transparency in Corporate Reporting (Published by Transparency International Sri Lanka) (R)
https://www.tisrilanka.org/trac2023/

Social Media Updates of Key Highlights through LinkedIn, Facebook and Instagram (R)
https://lk.linkedin.com/company/john-keells-holdings
https://www.facebook.com/johnkeells/
https://www.instagram.com/lifeatjkh/?hl=en

Frequency: A *Annually* Q *Quarterly* R *Regularly*

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INTRODUCTION TO THE REPORT

We are pleased to present our eleventh Integrated Report in accordance with the International <IR> Framework of the IFRS Foundation.

Our Integrated Report is the outcome of a Group-wide reporting process. The process is governed by the Board, led by the Group Executive Committee, and delivered through Group-wide collaboration. Our integrated-thinking approach to decision-making, management and reporting enables us to create and preserve value in the short, medium and long term. The Report strives to deliver a balanced and relevant report that will bring clarity and detail to the complex task of reporting a year of diverse business operations across multiple sectors.

This Report reflects on:

- The value creation model of the Group, combining different forms of Capital in the short, medium and long term.
- Governance, risk management and sustainability frameworks entrenched within the John Keells Group, guiding the Group's approach to corporate governance and sustainability-related impacts, risks and opportunities.
- The methodology through which the Group has integrated sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) across all operating entities.
- Financial, operational, environmental and social review and results of the Group.

INTEGRATED THINKING AND OUR INTEGRATED REPORTING PROCESS

	Compiling	Validating	Approving
Related Sub-processes	1 Process of completing the Integrated Report 2 Regulations, standards and principles 3 Integrated Report and reporting principles	4 Information integrity verification and quality assurance	5 Sign-off by the Group Executive Committee (GEC) 6 Board approval
Parties Involved	Board, GEC, Integrated Reporting team	Internal Audit function (GBPR), SERM internal assurance process, DNV Sustainability Assurance and External Audit Reviewed by Board and GEC	Board, GEC

1 Process of Completing the Integrated Report

- Prepared based on deliberations at a GEC and Board level, meeting minutes, decisions and approvals including frameworks as previously approved, as well as internal and external reporting information reflecting the Group's integrated thinking and in line with the International <IR> Framework.
- A cross-functional team, led by the Deputy Chairperson/Group Finance Director and various industry group/sector representatives and subject matter experts across the Group, produces the content contained within this Report, with oversight from the GEC and the Board.
- The GEC and Directors actively contribute to the content of the Report and are responsible for reviewing and approving the reported information. All such members involved in the various approval processes are illustrated through the above Integrated Reporting process.
- The Report is also supported by the oversight provided by independent assurance providers.
- Whilst the cross-functional team, who has delegated authority from the Board, ultimately sign-off for publication, the Board provides the final approval of the Report.

2 Regulations, Standards and Principles

Narrative Reporting	Governance, Risk Management and Operations	Financial Reporting	Sustainability Reporting
International <IR> Framework of the IFRS Foundation	Companies Act No. 7 of 2007	Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka	The John Keells Group has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026
	Listing Rules of the Colombo Stock Exchange (CSE)	Companies Act No. 7 of 2007	Aligned to United Nations Sustainable Development Goals
	Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including directives and circulars	Listing Rules of the CSE	Operations in conformity with the Principles of the United Nations Global Compact
	Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)*		Environmental, Social and Governance (ESG) disclosures through the <IR> framework and operations in conformity with the Principles of the United Nations Global Compact
	Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka, to the extent of business exigency and as required by the Group		
	Code of Best Practices on Related Party Transactions (2013) advocated by the SEC		
	Reporting in accordance with SLFRS S1 and S2 – sustainability-related financial disclosure standards		

3 Integrated Reporting and Guiding Principles

The Group has strived to deliver a comprehensive, balanced and relevant Report, while adhering to the recommendations of the International Integrated Reporting Council (IIRC). The seven guiding principles in Integrated Reporting, as depicted, have been given due consideration when preparing and presenting this Report.



4 Information Verification and Quality Assurance

The Chairperson-CEO, Deputy Chairperson/Group Finance Director, Group Executive Committee and relevant management personnel are responsible for disclosures made in this Report. The Group makes every effort to ensure the credibility, reliability and integrity of the information presented in the Report, including through external assurance from independent auditors.

The information contained in this Report has been reviewed by, as applicable, by:

- The Board of Directors
- The Audit Committee
- The Group Executive Committee
- An independent auditor confirming the accuracy of the annual financial statements
- An external assurance by an independent auditor for the non-financial statements, confirming the accuracy of the Report which has been prepared in accordance with the GRI standards 2021.

GROUP STRUCTURE

Refer link below to access the shareholding details of the John Keells Group, which outlines the organisational structure and the manner in which the various subsidiaries and equity accounted investees are held under John Keells Holdings PLC.

https://www.keells.com/about-us/#organization-structure

REPORTING SCOPE

Reporting Period

The John Keells Annual Report 2025/26 is a reflection of the Group's integrated approach of management during the period from 1 April 2025 to 31 March 2026. Material events post this reporting period, up to the sign-off date by the Board of Directors on 26 May 2026, have been included in this Report, ensuring a more relevant and up-to-date Report.

Scope and Boundary

Financial Reporting Boundary

87 legal entities of the John Keells Group, incorporated and operating in Sri Lanka and overseas, constitute the financial reporting boundary of this Report. These entities comprise subsidiaries, joint ventures, associates, real estate owning entities, non-operational entities, and investment holding companies.

Refer Group Directory for further details - page 582.

Non-Financial Reporting Boundary

In accordance with SLFRS S1 and S2, the Group has aligned its non-financial reporting boundary with its financial reporting boundary. While all entities with no significant operations, entities that function solely as owners of real estate or as investment holding companies are included within both the financial and non-financial reporting boundary, due to their insignificant impacts, risks and opportunities arising from their operations, disclosures relating to sustainability impacts reported in accordance to the GRI standards, and sustainability-related risks and opportunities reported in alignment with SLFRS S1 and S2 standards have not been considered for these entities. These entities are identified with a '*' in the Group Directory.

Entities that are joint ventures, associates, and equity accounted investees have been included within the non-financial reporting boundary only to the extent of the Group's equity holding in their non-financial metrics, in accordance with SLFRS S1 and S2. The Group has applied the transition relief permitted under these standards and accordingly reports only its equity share of such entities' Scope 1 and Scope 2 greenhouse gas emissions. These entities are marked with a '**' in the Group Directory.

All other reporting entities - being subsidiaries over which the Group exercises management control - have been fully included within the non-financial reporting boundary for the purposes of both the GRI standards and SLFRS S1 and S2. Accordingly, the external assurance undertaken by DNV Det Norske Veritas on the GRI Standards has been based on a reporting boundary that includes subsidiaries only.

Key changes to the Group structure during the year:

- John Keells CG Auto (Private) Limited was consolidated as a subsidiary of the Group, with effect from 1 April 2025.
- Divestment of the entire equity stake of 37.62% comprising 11,286,000 ordinary shares held by John Keells Holdings PLC in Tea Smallholder Factories PLC to Udapussellawa Plantations, in April 2025.
- Divestment of the entire equity stake of 22% comprising 30,800,000 ordinary shares held by Union Assurance PLC in Fairfirst Insurance Limited to Fairfax Asia Limited, in September 2025.
- Divestment of the entire equity stake of 98.39% in Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel in Kandy, by John Keells Hotels PLC, in March 2026.
- Acquisition of a 92.89% equity stake, comprising 4,036,450 ordinary shares in Yala Adventure (Private) Limited by Yala Village (Private) Limited, for a total consideration of Rs.85 million, in March 2026.
- John Keells Restaurants (Private) Limited was incorporated during the year. The entity is accounted as a subsidiary for the purpose of financial reporting.

INTRODUCTION TO THE REPORT

Changes to the sustainability reporting boundary during the year:

- Expanded to include nine new Keells outlets during the year.
- Equity accounted investees (including Cinnamon Air, Kandy Myst by Cinnamon and Cinnamon Red) are included based on the Group's equity ownership percentage for relevant sustainability metrics for SLFRS S1 and S2 requirements only. This being the first year of SLFRS-aligned reporting, the Group has only reported on the GHG emissions footprint of all equity accounted investees as per the transition relief of SLFRS S1 and S2.
- The sustainability reporting boundary has been aligned with the financial reporting boundary of the Group as per the requirements of SLFRS S1 and S2. As such, the reporting boundary excludes all equity accounted investees of the Group, which includes Cinnamon Air, Kandy Myst by Cinnamon and Cinnamon Red for which sustainability impact related topics were reported in the past years. Restatements of information of such topics, arising from realignment of the reporting boundary have been mentioned in the relevant disclosure sections of this report as appropriate.
- Non-operational, investment, holding, and real estate-owning entities without operational control continue to be excluded from non-financial reporting.

MATERIALITY

The Group conducts an internal comprehensive materiality assessment annually, in collaboration with various sectors to assess and monitor progress against key sustainability concerns. This is complemented by a biennial stakeholder engagement survey, facilitated by an independent third-party, which gauges the impact of ongoing activities and the Group's engagement, tracking performance against material topics and monitoring shifts in the material topics landscape. In addition to the biennial survey, stakeholder engagement activities occur regularly throughout the year, using a variety of methods such as meetings, focus groups, interviews, and digital platforms, ensuring ongoing communication and feedback collection.

The material topics for each industry group were consolidated to derive the Group's materiality topics, and such materiality assessments were undertaken based on a double materiality perspective considering impact materiality and financial materiality considerations.

Refer the Determining Materiality section for a detailed explanation of the process of arriving at the material topics - page 396.

CONTACT WITH STAKEHOLDERS

The preparation of the Report took place in cooperation with all relevant stakeholders in order to improve transparency and accountability. Feedback is gathered through questionnaires, a dedicated mailbox, one-on-one meetings and stakeholder engagement fora.

Please direct your feedback to:

Email: investor.relations@keells.com
Tel: +94 11 230 6170

DISCLAIMER FOR THE PUBLICATION OF FORECAST DATA

The Report contains information about the plans and strategies of the Group for the medium and long term and represents the management's view. The plans are forward-looking in nature and their feasibility depends on a number of economic, political and legal factors which are outside the influence of the Group and Company, including the situation of key markets, changes in tax, customs and environmental legislation and so forth. Given this, the actual performance of indicators in future years may differ from the forward-looking statements published in this Report. The reader is advised to seek expert professional advice in all such respects.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Report. In the Board's opinion, this Report addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of the John Keells Group. The Board is confident that the Report was prepared in accordance with the International <IR> Framework. This Report was approved by the Board on 26 May 2026.

NAVIGATING THIS REPORT

This Annual Report is available on our website:

https://www.keells.com/resource/reports/annual-reports/John_Keells_Holdings_PLC_AR_2025_26_CSE.pdf

Interact with our AI-Powered Reporting Assistant (Chatbot):

https://www.keells.com/investor-relations/

Reporting Guides

- Reference to other pages within the Report
- Reference to further reading online
- Details of CSR projects available on www.johnkeellsfoundation.com/

Capital Guides

- Financial and Manufactured Capital
- Natural Capital
- Human Capital
- Social and Relationship Capital
- Intellectual Capital

As you flip through the pages of this Report, you will find a relevant, transparent and noteworthy value proposition entrenched within the John Keells Group that strives to achieve the highest form of stakeholder satisfaction through sustainable value creation.

ABOUT THIS REPORT

John Keells Holdings PLC (JKH), the largest publicly listed company on the Colombo Stock Exchange, has an operating history spanning over 150 years.

Started in the early 1870s by two Englishmen, Edwin and George John, as a produce and exchange broking business, the Company has been known to constantly evolve, re-align, re-position, and re-invent itself to pursuing growth sectors of the time.

The John Keells Group's investment philosophy is based on a positive outlook, bold approach, commitment to delivery and flexibility to change. JKH is also committed to maintaining integrity, ethical dealings, sustainable development and greater social responsibility in a multi-stakeholder context. The JKH Group adopts a precautionary approach to decision-making to manage risk and support sustainable value creation.

Over the past years, the Group has reported on its sustainable development journey, encompassing the management of organisational impacts on broader stakeholder groups across economic, environmental, and social topics. These efforts align with the vision of the United Nations 1987 Brundtland Commission publication, 'Our Common Future', which emphasises meeting the needs of the present, without compromising the ability of future generations to meet their own needs. Such sustainable development focused reporting was undertaken in accordance with the Global Reporting Initiative (GRI) standards, predominantly adopting an impact materiality perspective across multiple stakeholder groups.

During the year, the Group has sought to extend its reporting to sustainability-related financially material topics. The Group has reported on the governance, strategy, risk management and metrics of its sustainability- and climate-related risks and opportunities with a view to providing information on the financial implications of such risks and opportunities to its investors and primary report users in accordance with SLFRS S1 and S2.

Refer Corporate Information and History of the John Keells Group sections for further information.

Industry Group	Our Business	Composition
Transportation • Transportation • Ports and Shipping	» Port of Colombo; - 42% stake in SAGT (capacity of ~2 million TEUs). - 34% stake in CWIT (capacity of ~3.2 million TEUs). » Leading bunkering services provider – Lanka Marine Services. » One of the largest cargo and logistics service providers in the country. » Joint Venture with Deutsche Post for DHL air express, AP Moller for Maersk Lanka and Inchcape Shipping Services for IMMS. » GSA for KLM Royal Dutch Airlines and Gulf Air. » Warehousing and supply chain management. » Domestic scheduled and charter flight operations – Cinnamon Air.	15% Revenue 11% EBITDA 22% PBT 5% Assets 2% GHG Emissions Footprint 4% Employees
Consumer Foods • Beverages • Confectionery • Convenience Foods	» Strong market presence in Beverages, Confectionery and Convenience Foods through Elephant House and Keells Krest brands. » A portfolio of CSD and non-CSD beverages catering to a wide array of customers and island-wide distribution network. » Confectionery products, including Imorich, a premium ice cream range, and the Feelgood guilt-free frozen yoghurt range for customers seeking wellness and balanced lifestyles. » Partnership with Reliance Consumer Products Limited (RCPL) to manufacture, market, distribute and sell beverages under the Elephant House brand in India.	8% Revenue 9% EBITDA 14% PBT 4% Assets 18% GHG Emissions Footprint 8% Employees
Retail • Supermarkets • New Energy Vehicles • Office Automation	» Supermarket business - As at 31 March 2026, 147 outlets uniquely branded to cater to evolving consumer lifestyles. - A state-of-the-art distribution centre (DC) centralising offerings across the dry, fresh, and chilled categories with a capacity for ~250 outlets. » New Energy Vehicles business - Partnership with BYD Auto Industry Company Limited, the world's leading manufacturer of new energy vehicles (NEV), to provide cutting-edge and eco-friendly vehicles to the Sri Lankan market. » Office Automation business - authorised distributor for office automation and IT-enabled, world renowned brands and a market leader in providing print solutions for corporates. Brands offered include Samsung, Toshiba and Asus.	54% Revenue 39% EBITDA 62% PBT 11% Assets 37% GHG Emissions Footprint 44% Employees

ABOUT THIS REPORT

Industry Group	Our Business	Composition
Leisure • Cinnamon Hotels & Resorts • Destination Management • Hotel Management	» Cinnamon, a well-established hospitality brand in Sri Lanka and the Maldives: - 3 Colombo Hotels - 9 Sri Lankan Resorts - City of Dreams Sri Lanka (CODSL) - 4 Maldivian Resorts » CODSL, South Asia's first fully fledged integrated resort, featuring two luxury hotels, extensive MICE facilities, ~500,000 sq. ft. of retail and entertainment space, and a luxury standard casino. » Combined room inventory of 3,468 rooms under management in both Sri Lanka and the Maldives as at 31 March 2026. » Land bank of ~121 acres of freehold and ~145 acres of leasehold land in key tourism locations. » Leading destination management operator.	**12%** Revenue **19%** EBITDA **(21)%** PBT **44%** Assets **40%** GHG Emissions Footprint **32%** Employees
Property • Property Development • Property Management	» Projects developed under the Luxe Spaces, Metropolitan Spaces and Suburban Spaces which cater to the luxury, mid-tier and suburban multi-family housing segments and Leisure-linked developments. » Vauxhall DSTRCT, a residential apartment development based on smart living in the centre of the Colombo. » VIMAN, a suburban residential apartment development located in the heart of Ja-Ela. » Rental of commercial office space at Cinnamon Life. » Ownership and operation of the Crescat Boulevard mall and K-Zone mall in Moratuwa. » Land bank: - Prime land bank of ~24 acres in central Colombo. - Developable freehold land of ~18 acres in close proximity to Colombo city. - Over 365-acres of scenic leased land with an 18-hole golf course and developable land. » High-rise apartment complexes completed: The Suites at Cinnamon Life, The Residences at Cinnamon Life, TRI-ZEN, 7th Sense on Gregory's Road, OnThree20, the Emperor and the Monarch	**2%** Revenue **4%** EBITDA **9%** PBT **9%** Assets **2%** GHG Emissions Footprint **2%** Employees
Financial Services • Insurance • Banking • Stockbroking	» Union Assurance (UA)* offers comprehensive insurance solutions in the Life Insurance segment - Operating footprint of 95 branches, excluding virtual locations. - Over 32,000 new policyholders during CY2025. - Market share of ~11%. » Nations Trust Bank PLC (NTB) offers complete banking solutions through its network of branches for corporate, retail and SME client. » John Keells Stock Brokers (JKSB) is one of the leading stock broking companies in Sri Lanka and has a number of trading tie-ups with leading foreign securities houses.	**8%** Revenue **15%** EBITDA **31%** PBT **15%** Assets **1%** GHG Emissions Footprint **5%** Employees
Other, including Information Technology and Plantation Services • Information Technology • Plantation Services • Other (which also comprises of Centre Functions***)	» Information Technology - Software solutions and consultation services based on Internet of Things (IoT), Robotic Process Automation (RPA) and other digital stack solutions. - Brand presence in Middle East and North Africa (MENA) and Asia Pacific (APAC) regions as a leading digital solutions provider. - Strategic partnerships with SAP and Microsoft. - BPM service provider with the mandate of driving greater efficiencies for their clientele. Core focus areas of finance and accounting, payroll management and data digitisation. » Plantation Services** - Leading tea and rubber broker. - State-of-the-art warehousing facility for preauction produce.	**1%** Revenue **3%** EBITDA **(17)%** PBT **12%** Assets **0%** GHG Emissions Footprint **5%** Employees

** 22% equity stake of Fairfirst Insurance Limited was divested in September 2025.*

*** 37.62% equity stake of Tea Smallholder Factories PLC was divested in April 2025.*

**** Centre Functions include Corporate Communications, Corporate Finance and Strategy, Data and Advanced Analytics, Group Business Process Review, Group Finance and Group Insurance, Group Human Resources, Group IT, Group Tax, Group Treasury, John Keells Foundation, Legal and Secretarial, New Business Development, Social Entrepreneurship and Sustainability, Enterprise Risk Management, and Group Initiatives.*

Note: Revenue is inclusive of the Group's share of revenue of equity accounted investees.

CHAIRPERSON'S MESSAGE

Dear Stakeholder,

The year under review reflected meaningful progress for the Group, underpinned by strong financial performance and encouraging momentum across new initiatives and ventures.

Over the past several years, we have focused on building the foundations for the next phase of growth through significant deployment of capital. I am pleased that, as we have expected and worked towards, these efforts have begun to translate into improved operating outcomes, broad-based earnings contributions and stronger returns, alongside the continued performance of our established businesses. Collectively, these factors enabled the Group to deliver a strong financial performance with reported Group earnings before interest expense, tax, depreciation and amortisation (EBITDA) increasing by 75% to Rs.80.01 billion.

A defining feature of the year was the operational ramp-up of two of the Group's largest investments: the City of Dreams Sri Lanka (CODSL) integrated resort and the West Container Terminal (WCT-1) at the Port of Colombo. Following the completion and launch of the remaining components of the integrated resort, CODSL recorded a positive EBITDA for the full year. Cinnamon Life's conference and event spaces have begun to attract interest from both local and international organisers, reflecting the scale and potential of the asset. The casino continues to demonstrate an encouraging improvement in performance, with the Group recognising fixed rental income, while the variable component is expected to progressively contribute as operations scale. While the situation in the Middle East could have a short-term impact, we expect this positive trajectory to continue, supported by forward bookings for accommodation and a growing pipeline of conferences and events.

WCT-1 also made encouraging progress during the year, with significant month-on-month growth in throughput. The terminal recorded a positive profit after tax (PAT) despite depreciation relating to phase 1 being charged to the income statement. Although operations commenced in April 2026, phase 1 capacity is now at full utilisation when considering the monthly run rate of volumes, underscoring the terminal's strategic importance to the Port of Colombo and long term value creation potential within the Group's portfolio. With phase 2 progressing marginally ahead of schedule, the project is well positioned to support further throughput growth, improve fixed cost absorption and strengthen its earnings contribution over time.

The Group's New Energy Vehicles (NEV) business, John Keells CG Auto (JKCG), recorded an exceptional year, supported in part by pent-up demand and the brand positioning and vehicle range of BYD. JKCG's financial performance during the year resulted in a material contribution towards the overall Group performance. The medium term outlook for the business remains positive as the mobility landscape evolves and electric vehicle penetration in Sri Lanka gains further traction and acceptance.

The Group further strengthened its financial position during the year through proactive balance sheet management and disciplined funding strategies. This included the refinancing of the USD 189 million term loan facility at Waterfront Properties (Private) Limited (WPL) at a significantly more favourable rate than the previous facility. This is expected to reduce finance costs, subject to foreign currency translation risks. While overall net debt in the Group increased against the previous year, it is important to note that part of the Group's debt comprises of short-term, inventory-backed trade financing facilities within businesses such as JKCG, Lanka Marine Services and Office Automation. Excluding such facilities, Group debt has not materially increased. Considering the material financial contribution during the year and the nature of the business, JKCG has been a key contributor to the increase in Group debt levels relative to the prior year.

Revenue incl. Associates		**Recurring EBITDA**	
Rs.**572.02** billion	↑ 61%	Rs.**78.05** billion	↑ 71%
2024/25: Rs.354.83 billion		2024/25: Rs.45.69 billion	
Recurring PBT		**Recurring PAT**	
Rs.**35.72** billion	↑ 143%	Rs.**21.38** billion	↑ 216%
2024/25: Rs.14.72 billion		2024/25: Rs.6.76 billion	

With the culmination of the biggest investment phase in the Group's history, the Group will transition into a period of generating net positive cash flows. As a result of operationalising large investments, this represents a clear shift in the Group's capital cycle from development to contribution, where overall funding requirements have reduced materially, in line with expectations. Coupled with improving cash generation across operating businesses, this is expected to support a gradual deleveraging of the balance sheet over time. The current net debt to EBITDA at ~2 times is reflective of a comfortable level of leverage, which is expected to improve further. Additionally, the net debt to equity at ~31% demonstrates a strong and flexible balance sheet to support the Group's long-term growth initiatives.

The Group has remained focused on disciplined capital allocation while maintaining a balanced portfolio to optimise returns on capital. While CODSL has skewed the balance of the portfolio, we undertook steps to actively reallocate capital through the divestment of non-core businesses and low-yielding hotel assets. This included the sale of Tea Smallholder Factories PLC and the stake in FairFirst Insurance Limited, collectively amounting to ~Rs.3 billion. The Group also divested its entire equity stake in Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel Kandy. The Group has retained management rights to the hotel, shifting towards a more asset-light model. This divestment followed the recent commencement of operations of Kandy Myst by Cinnamon, where the Group has a minority equity stake and a long-term management contract under the Cinnamon brand.

Group ROCE improved to 9.0% in 2025/26 from 5.1% in the previous year, driven primarily by stronger profit generation arising from improved asset utilisation. While the scale of capital employed in CODSL impacts consolidated returns in the short term, we expect this to change positively as the operations of the property continue to ramp up. Excluding the Group's integrated resort, which recently commenced operations, the remainder of the portfolio delivered a robust ROCE of 17%, reflecting the underlying return profile of the Group's established businesses.

Beyond the financial performance, the year also saw continued progress in strengthening the Group's operating foundations. Initiatives across governance, sustainability and enterprise transformation advanced further during the year, as elaborated in this Message and the Report.

CHAIRPERSON'S MESSAGE

MACROECONOMIC CONTEXT

Sri Lanka recorded a GDP growth rate of 5% in CY2025, supported by policy and macroeconomic stability and a strong recovery in demand. While Cyclone Ditwah in late November 2025 caused temporary disruptions to the economy, the momentum and macroeconomic variables remained intact, with no material impact on the Group's operations. The Group and its staff supported relief efforts through various initiatives, including a contribution of Rs.500 million by John Keells Holdings PLC and its affiliated companies towards the Government's 'Rebuilding Sri Lanka' initiative.

External sector conditions continued to strengthen further during the year. Gross official reserves increased to ~USD 6.8 billion in April 2026, against the USD 6.3 billion in the previous year. The increase was supported by multilateral, tourism and remittance inflows and net foreign exchange purchases by the Central Bank of Sri Lanka (CBSL), together with continued adherence to the parameters under the International Monetary Fund (IMF) programme. The exchange rate was largely flat during most of the year with a marginal depreciation of the Sri Lankan Rupee to ~Rs.309 by end February 2026. The currency, however, witnessed pressure, similar to many regional countries, following the conflict in the Middle East, on account of lower tourism flows and higher fuel related outflows due to the significantly higher oil prices with the Rupee trading at ~Rs.340 as of mid-May 2026.

Fiscal consolidation efforts progressed in line with the IMF programme commitments, with a continued focus on revenue mobilisation and expenditure discipline. While fiscal consolidation and tax revenue mobilisation remain works in progress, improvements in policy credibility, together with conclusion of all elements of debt restructuring, have contributed to a more stable and predictable macroeconomic framework, notwithstanding the conflict in the Middle East, which I will address subsequently in this section.

Inflation was recorded at 5.4% year-on-year in April 2026, reflecting primarily the pass-through of higher energy prices and adjustments to tariffs. Notwithstanding short-term movements, inflation remained aligned with the CBSL medium-term target, allowing the CBSL to maintain its broadly loose monetary policy. The continued implementation of cost-reflective pricing in fuel and electricity, amid rising global fuel prices driven by the conflict in the Middle East, has been a timely intervention to maintain fiscal buffers.

"The upcoming launch of an inaugural thrice-weekly flight to Ahmedabad, supported by a minimum seat underwriting arrangement by the Group over a 12-month period, underscores the targeted approach to building demand and strengthening market access. India's strong economic growth and the resulting increase in outbound travel present a significant opportunity for Sri Lanka given its proximity to key Indian cities."

Growth in tourism was strong, with 2.36 million arrivals achieved in CY2025, the highest on record. Tourist arrivals continued to show momentum in the first two months of CY2026 with year-on-year growth of ~13%, although arrivals moderated materially from March 2026 onwards with the onset of the Middle East conflict. March is the tail end of the peak winter season which sees strong arrivals from Europe. Arrivals were affected by flight re-routing, cancellations, and increased travel costs, impacting, in particular, European arrivals, where a large number fly to Sri Lanka via the Middle East. Arrivals declined year-on-year in April, reflecting the external constraints. Notwithstanding this near term volatility, underlying demand fundamentals should remain intact in the context of strong tourism potential in the region where Sri Lanka remains well-positioned to benefit from continued growth in short- to medium-haul travel.

The Group's focus on CODSL will continue to prioritise the development of key regional markets to establish the brand and property among target customer segments. In this regard, the upcoming launch of an inaugural thrice-weekly flight to Ahmedabad, supported by a minimum seat underwriting arrangement by the Group over a 12-month period, underscores the targeted approach to building demand and strengthening market access. India's strong economic growth and the resulting increase in outbound travel present a significant opportunity for Sri Lanka given its proximity to key Indian cities. The growth in outbound Chinese travel over the past two decades, especially to neighbouring countries, is a good indication of the growth potential of Indian travel to Sri Lanka.

While Sri Lanka has rebuilt buffers through stronger reserves and improved policy discipline, the resilience of these buffers will depend on the duration and severity of external shocks arising from the geopolitical developments in the Middle East. While there have been minor supply chain disruptions resulting from the conflict, the Group has managed these without any material impact. The Government's policy response to the cascading effects of higher fuel prices, escalating energy costs, and potential disruptions to agriculture and supply chains arising from global fertiliser constraints will require close monitoring, particularly given the implications for inflation and consumer discretionary spending. Notwithstanding these uncertainties, the operating environment is materially more stable in recent years, providing a more resilient foundation for business confidence and investment.

Against this backdrop, the Group is entering its next phase with strong momentum from the financial performance during this year and from a position of strength considering the broad-based earnings contribution. This is supported by a high-quality portfolio, with major investments beginning to contribute positively, where, I believe, we have crossed an inflection point of moving from capital deployment to cash generation. While the financial returns are improving, our major investments are still ramping up with potential for significant growth. We remain focused on building enduring value through prudent capital stewardship, operational excellence, and a long term perspective.

Summarised below are the key operational and financial highlights during the year under review.

(Rs.'000)	Recurring EBITDA*			
	2025/26	2024/25	Variance	%
Transportation	9,673,964	7,318,145	2,355,819	32
Consumer Foods	7,572,912	6,684,040	888,872	13
Retail	31,740,174	10,944,493	20,795,681	190
John Keells CG Auto	*18,296,461*	*(179,643)*	*18,476,104*	*10,285*
Supermarkets and John Keells Office Automation	*13,443,713*	*11,124,136*	*2,319,577*	*21*
Leisure	12,486,249	4,527,470	7,958,779	176
City of Dreams Sri Lanka	*932,721*	*(4,743,044)*	*5,675,765*	*120*
Leisure excl. City of Dreams Sri Lanka	*11,553,528*	*9,270,514*	*2,283,014*	*25*
Property	2,961,489	1,440,953	1,520,536	106
Financial Services	11,370,463	10,908,647	461,816	4
Other, incl. Information Technology and Plantations Services	2,243,120	3,865,682	(1,622,562)	(42)
Group	78,048,371	45,689,430	32,358,941	71

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

- The year under review reflected meaningful progress for the Group, underpinned by strong financial performance and encouraging momentum across new initiatives and ventures.
- Over the past several years, the Group has focused on building the foundations for the next phase of growth through significant deployment of capital. These efforts have now begun to translate into improved operating outcomes, broad-based earnings contribution and stronger returns, alongside the continued performance of our established businesses. Collectively, these factors enabled the Group to deliver a strong financial performance with reported Group EBITDA increasing by 75% to Rs.80.01 billion.
- With the culmination of the biggest investment phase in the Group's history, the Group will transition into a period of generating net positive cash flows. The operationalisation of these investments marks a clear shift in the capital cycle from development to contribution, with overall funding requirements reducing materially in line with expectations. The current net debt to EBITDA at ~2 times is reflective of a comfortable level of leverage, which is expected to improve further. Additionally, the net debt to equity at ~31% demonstrates a strong and flexible balance sheet to support the Group's long-term growth initiatives.
- Group ROCE improved to 9.0% in 2025/26 from 5.1% in the previous year. Excluding the Group's integrated resort, which recently commenced operations, the remainder of the portfolio delivered a robust ROCE of 17%, reflecting the underlying return profile of the Group's established businesses.
- Group recurring EBITDA recorded an increase of 71% to Rs.78.05 billion [2024/25: Rs.45.69 billion]. The substantial uplift in EBITDA during the year was primarily driven by the strong performance of Retail, Transportation and Leisure industry groups. All other businesses also contributed positively to EBITDA growth.
- Group recurring profit before tax increased by 143% to Rs.35.72 billion from Rs.14.72 billion recorded in the previous year.
- Group recurring profit attributable to equity holders of the parent increased by 155% to Rs.13.24 billion for the financial year ended 31 March 2026. [2024/25: Rs.5.19 billion].
- Following the completion and launch of the remaining components of the integrated resort, CODSL recorded a positive EBITDA for the full year. Cinnamon Life's conference and event spaces have begun to attract interest from both local and international organisers, reflecting the scale and potential of the asset.
- Casino operations have been steadily ramping up with an encouraging pick-up witnessed from the fourth quarter onwards. During the year under review, the Group recognised fixed rental income, while the variable rental component will come into effect once operations reach a certain level of activity, in line with the anticipated ramp-up.
- Colombo West International Terminal, the project company of West Container Terminal (WCT-1), recorded strong throughput growth during the year, supported by an improving volume mix, translating into profitability ahead of expectations. The business recorded a positive profit after tax, ahead of expectations, despite recognising depreciation relating to phase 1. The terminal has already reached full utilisation of phase 1 capacity based on its latest monthly run-rate, despite being within its first year of operations. The addition of CWIT capacity has enabled the Port of Colombo to increase overall volumes, reflecting strong demand dynamics and the rapid absorption of new capacity.
- John Keells CG Auto (JKCG), recorded an exceptional year, supported in part by pent-up demand and the brand positioning and vehicle range of BYD.
- The Beverages and Confectionery businesses recorded strong volume growth. The Beverages business recorded an increase in profitability driven by higher margins whilst the Confectionery business margins were impacted by higher raw material costs and incremental expenses associated with new product introductions within the extruder portfolio, which were launched during the year.
- The Supermarket business delivered a robust performance during the year, recording ~14% growth in same store sales, driven primarily by a 14.3% increase in footfall.
- The Leisure industry group recorded a significant growth in EBITDA, with all sectors contributing to the improvement in profitability, driven by improved occupancies.
- John Keells Properties launched its latest development, Vauxhall DSTRCT in March 2026, a 749-unit residential project in Colombo 02.
- Nations Trust Bank (NTB) recorded a growth in profitability aided by strong loan growth and a continued reduction in impairments. NTB completed the acquisition of HSBC Sri Lanka's retail banking franchise, with effect from 1 May 2026, with live operations commencing thereafter. Union Assurance (UA) recorded encouraging double-digit growth in gross written premiums.

CHAIRPERSON'S MESSAGE

GROUP PERFORMANCE

For the financial year 2025/26, Group revenue (excluding equity accounted investees) recorded a growth of 67% to Rs.528.85 billion. The significant growth in revenue was driven mainly by the contribution from JKCG which was not in operation in the previous year.

Group EBITDA recorded an increase of 75% to Rs.80.01 billion [2024/25: Rs.45.85 billion], while Group recurring EBITDA recorded an increase of 71% to Rs.78.05 billion [2024/25: Rs.45.69 billion]. The substantial uplift in EBITDA during the year was primarily driven by the strong performance of Retail, Transportation and Leisure industry groups as detailed further in this Message. In addition, all other businesses also contributed positively to EBITDA growth. The recurring EBITDA analysis in the industry group discussion below is post the elimination of one-off impacts in order to demonstrate the performance of the core operations of the businesses. The recurring adjustments are detailed in the Financial and Manufactured Capital Review section of the Report.

The Group profit before tax (PBT) increased by 153% to Rs.37.69 billion from Rs.14.88 billion recorded in the previous year. The Group recurring PBT increased by 143% to Rs.35.72 billion from Rs.14.72 billion recorded in the previous year. Group recurring PBT includes net exchange losses of Rs.1.83 billion compared to net exchange gains of Rs.888 million in the previous year, primarily on account of the currency depreciation impact on the USD 189 million term loan facility at WPL, the project company of the CODSL integrated resort. The growth in Group PBT was achieved despite the impact of higher depreciation and interest expenses arising from full operations at CODSL resulting in a charge of Rs.10.96 billion in the current year. The previous year recorded a charge of Rs.4.29 billion since operations commenced only in mid-October 2024. While these charges affect profitability in the immediate term, we expect them to be more than offset by higher revenue and earnings as Cinnamon Life and the other CODSL operations continue to ramp up over the coming quarters.

The profit attributable to equity holders of the parent increased by 156% to Rs.13.64 billion for the financial year ended 31 March 2026. [2024/25: Rs.5.33 billion]. The recurring profit attributable to equity holders of the parent increased by 155% to Rs.13.24 billion for the financial year ended 31 March 2026. [2024/25: Rs.5.19 billion].

Company PBT for 2025/26 at Rs.7.78 billion is an increase from Rs.3.67 billion recorded in the previous year, mainly on account of an increase in dividend income and a decrease in interest expense at the Holding Company due to the absence of any interest charge on the convertible debentures issued to HWIC Asia Fund (HWIC) compared to the previous year, as the remainder of the debentures were fully converted in January 2025. Company PBT also includes net exchange gains amounting to Rs.846 million, compared to net exchange gains of Rs.20 million recorded in the previous year, arising from the net USD denominated cash holdings at the Holding Company which benefited from the depreciation of the Rupee.

As the Annual Report contains discussions on the macroeconomic factors and its impact on our businesses, as well as a detailed discussion and analysis of each of the industry groups, I will focus on a high-level summation of the performance of each industry group during the financial year 2025/26.

TRANSPORTATION

The Transportation industry group recurring EBITDA of Rs.9.67 billion in 2025/26 is an increase of 32% over the recurring EBITDA of the previous financial year [2024/25: Rs.7.32 billion]. The increase in profitability is mainly due to the performance of the Group's Bunkering business, LMS, and Colombo West International Terminal (CWIT), the project company of WCT-1. The reported EBITDA also recorded an increase despite a one-off charge at LMS, as explained below.

The Group's Bunkering business, LMS, delivered a strong performance during the year driven by margin expansion and a strong volume growth of 29%, resulting in the highest volume recorded to date, supported by increased activity at the Port of Colombo. Competitiveness improved with the narrowing price differential between Sri Lanka and India, underpinning incremental demand. Profitability strengthened significantly in the fourth quarter of 2025/26, driven by higher margins and volumes arising from supply chain disruptions linked to the Middle East conflict.

In March 2026, the Supreme Court of Sri Lanka delivered its judgment in respect of appeals filed by LMS against certain income tax and indirect taxes issued by the Commissioner General of Inland Revenue. In a 2:1 majority ruling, the Supreme Court dismissed these appeals. While sufficient provisions had previously been recognised in the financial statements to cover exposures arising from these assessments, LMS recognised an additional provision of Rs.1.26 billion during the year as a measure of prudence in respect of certain other assessment periods. Of this, Rs.676 million, relating to revenue-based taxes, has been recognised within administrative and operating expenses, impacting EBITDA, while Rs.582 million has been recorded under tax expense, impacting PAT. This additional provision covers potential exposures relating to such assessment periods, which remain under appeal.

Transportation

Revenue incl. Associates		**Recurring EBITDA**	
Rs.**85.01** billion	↑ 16%	Rs.**9.67** billion	↑ 32%
2024/25: Rs.73.23 billion		2024/25: Rs.7.32 billion	
Recurring PBT		**Recurring PAT**	
Rs.**8.85** billion	↑ 39%	Rs.**8.22** billion	↑ 34%
2024/25: Rs.6.36 billion		2024/25: Rs.6.13 billion	

"CWIT recorded strong throughput growth during the year, supported by an improving volume mix, translating into profitability ahead of expectations. I am pleased to state that CWIT handled over one million TEUs for the year, and the terminal has already reached full utilisation of phase 1 capacity based on its latest monthly run-rate, despite being within its first year of operations."

CWIT completed its first full year of operations in 2025/26, delivering performance significantly ahead of plan. CWIT recorded strong throughput growth during the year, supported by an improving volume mix, translating into profitability ahead of expectations. I am pleased to state that CWIT handled over one million TEUs for the year, and the terminal has already reached full utilisation of phase 1 capacity based on its latest monthly run-rate, despite being within its first year of operations. The addition of CWIT capacity has enabled the Port of Colombo to increase overall volumes, reflecting capacity led growth supported by strong demand dynamics, resulting in the rapid absorption of new capacity. The business recorded a positive PAT, ahead of expectations, despite recognising depreciation relating to phase 1. The quantum relevant to phase 2 will be capitalised following the commencement of operations from the third quarter of 2026/27 onwards.

Construction of the full terminal is progressing marginally ahead of schedule from the originally anticipated target of end of calendar year 2026. As at 31 March 2026, the 1,400 metre quay wall was completed, enabling the simultaneous berthing of three large vessels upon installation of cranes and associated equipment. As new cranes are deployed, the capacity of the terminal will progressively increase over the course of the second half of 2026/27. Stage 3 of the terminal construction under the BOT agreement was completed by end February 2026. The required equipment for gate automation has been imported, with installation expected to be completed by Q2 2026/27.

During the year, South Asia Gateway Terminals (SAGT) delivered an encouraging performance in the first half, although volumes moderated in the second half due to the scheduled closure of one berth for crane rail replacement, which temporarily constrained handling capacity. Operations normalised from the start of CY2026 and were fully restored by early Q1 2026/27, positioning the terminal for improved momentum.

CONSUMER FOODS

The Consumer Foods industry group recorded recurring EBITDA of Rs.7.57 billion in 2025/26, representing a 13% increase over the previous year [2024/25: Rs.6.68 billion], mainly attributable to the Beverages business.

The Beverages business delivered strong volume growth of 18% (2024/25: 10%), with the carbonated soft drinks (CSD) segment recording a growth of 13% (2024/25: 16%). This performance was supported by improved consumer demand and favourable weather conditions. Fourth quarter volumes were particularly robust, partly driven by higher sales post the Cyclone Ditwah disruptions in the third quarter and a temporary supply disruption faced by a key competitor. Overall, higher capacity utilisation enabled improved absorption of fixed costs, contributing to margin expansion.

The Confectionery business recorded volume growth of 8% [2024/25: 22%], driven by both the multi-serve and single-serve segments. Overall volumes were moderated by temporary cold chain disruptions in the third quarter following Cyclone Ditwah. Margin performance was impacted by elevated input costs, particularly cocoa and select dairy-based raw materials, alongside a change in the sales mix. EBITDA margins were further pressured by incremental costs associated with new product introductions within the extruder portfolio, which were launched during the year, as explained below.

Consumer Foods

Revenue		**Recurring EBITDA**	
Rs.44.44 billion	↑ 15%	Rs.7.57 billion	↑ 13%
2024/25: Rs.38.67 billion		2024/25: Rs.6.68 billion	
Recurring PBT		**Recurring PAT**	
Rs.5.43 billion	↑ 10%	Rs.4.49 billion	↑ 30%
2024/25: Rs.4.93 billion		2024/25: Rs.3.47 billion	

"The Group enhanced its manufacturing capabilities with the commissioning of an extrusion line, marking the introduction of locally manufactured extruded ice cream products into the Sri Lankan market."

In line with its portfolio expansion and premiumisation strategy, the Group enhanced its manufacturing capabilities with the commissioning of an extrusion line, marking the introduction of locally manufactured extruded ice cream products into the Sri Lankan market. This investment enables the production of differentiated, higher-margin premium products aligned with evolving consumer preferences, while also improving operational efficiencies and deferring incremental capacity investment.

The Convenience Foods business recorded strong volume growth of 22% during 2025/26 [2024/25: 25%], driven by increased consumer activity and a shift in spending towards more discretionary items. The strategic price revisions undertaken over the last two years improved product affordability, which also contributed towards volume growth. Growth momentum was led by the general trade and HORECA segments, benefiting from higher tourist arrivals, while modern trade saw a more gradual recovery. The business also continued to broaden its non-frozen portfolio with new product introductions.

Looking ahead, the Group expects to continue capital investment in the expansion of capacity in its core businesses as well as adjacent categories within Consumer Foods to support portfolio expansion and innovation. These investments will support sustained volume growth and brand loyalty for its product range and drive medium- to long-term value creation. The Group will focus on balancing the need to sustain growth and efficiency while managing free cash flow generation.

RETAIL

The Retail industry group recurring EBITDA of Rs.31.74 billion in 2025/26 is an increase of 190% over the recurring EBITDA of the previous financial year [2024/25: Rs.10.94 billion].

This substantial improvement in EBITDA was primarily driven by the Group's NEV business, JKCG, which recorded an EBITDA of Rs.18.30 billion, followed by a strong performance from the Supermarket business, which recorded a 24% growth in EBITDA to Rs.12.09 billion.

The Supermarket business delivered a robust performance during the year, recording ~14% growth in same store sales, driven primarily by a 14.3% increase in footfall.

This performance was achieved through a series of targeted initiatives aimed at driving customer traffic and engagement, despite elevated cost pressures arising from higher electricity tariffs following the June 2025 rate increase and higher wastage associated with maintaining improved product availability throughout the trading day.

Growth in profitability and footfall growth was driven by enhancements in the fresh category, improvements to the prepared-food offering, better product availability and effective promotional campaigns, which collectively contributed to growth in same-store footfall from both existing and new customers. The continued conversion from general trade to modern trade further supported growth, driven by enhanced pricing efficiencies arising from scale and backward integration, a diversified product offering across multiple price points and the Keells Nexus loyalty programme. Investments in upgrading standard outlets, the expansion of the omnichannel offering and the introduction of 'star products' in the prepared food category also contributed to higher customer engagement and ensured a greater proportion of customer spend was retained within the Keells outlet network.

During the year, Keells launched the Keells Nexus App, a unified platform that seamlessly integrates loyalty, personalised promotions and enhanced customer engagement. Key features include the ability for customers to browse promotions and plan their shopping in advance, access to exclusive partner deals and QR-based registration for Nexus members at checkout.

The business continued its expansion during the year, opening nine new outlets while closing two, bringing the total network to 147 outlets as at 31 March 2026. As a result of Cyclone Ditwah in the third quarter, operations were temporarily disrupted across 13 outlets; however, most resumed operations by early December, with only two outlets remaining closed at year end. Looking ahead, the business plans to open at least 10 outlets per annum, with seven currently under construction and additional locations identified for development in the coming quarters.

The year under review marked a key milestone for the Group with the commencement of revenue and profit recognition from its NEV business, JKCG. The reopening of vehicle imports after nearly five years of restrictions released significant pent-up demand and drove strong initial sales momentum. JKCG handed over 10,081 vehicles during the financial year, exceeding initial expectations. While demand moderated during the latter part of the year as pent-up demand began to normalise, order activity strengthened again in the fourth quarter due to increased customer interest and order placement in response to fuel-related disruptions stemming from the Middle East conflict.

Retail

Revenue		**Recurring EBITDA**	
Rs.**313.92** billion	↑ 127%	Rs.**31.74** billion	↑ 190%
2024/25: Rs.138.34 billion		2024/25: Rs.10.94 billion	
Recurring PBT		**Recurring PAT**	
Rs.**23.29** billion	↑ 348%	Rs.**17.08** billion	↑ 362%
2024/25: Rs.5.20 billion		2024/25: Rs.3.70 billion	

"BYD achieved a significant market share in its first year, reflecting a strong product offering and growing customer acceptance, supported by the rollout of models across multiple segments and price points."

Effective 15 May 2026, the Government imposed a 3-month temporary surcharge on duty on all motor vehicles as a measure to manage overall import demand and pressure on the currency due to the previously mentioned reasons arising from the Middle East conflict. The surcharge will not apply to bookings received prior to 15 May 2026.

BYD achieved a significant market share in its first year, reflecting a strong product offering and growing customer acceptance, supported by the rollout of models across multiple segments and price points. The Group also launched DENZA, a premium NEV range, during the third quarter, marking its entry into the higher-end electric mobility segment, with encouraging initial market response.

JKCG expanded its footprint through new showrooms, increasing the network to nine. The business further leveraged the wider Keells ecosystem, installing 44 EV chargers at supermarket locations. While JKCG completed 10,000 vehicle services during the year, the business continued to focus on strengthening sales, service capacity, and customer management systems to support the faster than anticipated scale-up in operations and enhance customer experience and loyalty.

As disclosed during the year, JKCG faced temporary delays from the second half of 2025/26 in clearing certain BYD electric vehicle models due to a different interpretation of motor power specifications by Sri Lanka Customs. However, the business secured the release of these shipments against bank and corporate guarantees. We continue to pursue a permanent resolution through proposed independent testing at an internationally accredited facility and will engage with the authorities in this regard. While these developments temporarily affected EV sales, strong customer interest in BYD's hybrid models and new EV models in lower priced segments helped sustain sales momentum. JKCG will continue to execute its plans including the expansion of the related infrastructure and ecosystems to support the growth of sustainable mobility in Sri Lanka.

LEISURE

The Leisure industry group recurring EBITDA of Rs.12.49 billion in 2025/26 is an increase of 176% over the recurring EBITDA of the previous financial year [2024/25: Rs.4.53 billion]. All sectors contributed to the improvement in profitability, mainly driven by the turnaround in the performance of CODSL, which includes the Cinnamon Life and Nuwa hotels, casino and the mall operations. Excluding CODSL, the Leisure industry group recorded a recurring EBITDA of Rs.11.55 billion, representing an increase of 25% over the previous financial year, mainly driven by the Sri Lankan Resorts segment, followed by the Maldivian Resorts segment and the Colombo Hotels sector.

Recurring PBT of the Leisure industry group decreased by 44% to negative Rs.10.30 billion. Recurring PBT includes the exchange impact on the USD 189 million term loan facility at WPL, which recorded an exchange loss of Rs.3.86 billion, compared to an exchange gain of Rs.856 million in the prior year.

In addition, PBT includes depreciation, amortisation and interest expenses at CODSL amounting to Rs.10.96 billion for the full year [2024/25: Rs.4.29 billion]. The lower recognition in the previous year is due to the charge being recorded only from mid-October 2024 once operations commenced. Further, the charge in the previous year related solely to the Cinnamon Life hotel, whereas the charges for 2025/26 reflect both the Cinnamon Life and Nuwa hotels. Excluding the PBT of CODSL, the Leisure industry group recurring PBT improved to Rs.3.36 billion [2024/25: Rs.1.08 billion].

The Maldivian and Sri Lankan Resorts segments recorded a strong performance driven by improvements in occupancy, on the back of increased arrivals and room rates across all properties. Similarly, profitability of the Colombo Hotels sector was driven by higher occupancies, although offset to an extent due to the decrease in room rates on account of the increase in room supply within Colombo city. It is noteworthy, however, that despite the increase in room supply, the rise in arrivals drove occupancy in the star-class segment in the city from 53% in June 2025 to 70% in November 2025 and further to 75% in January 2026. As noted earlier in this Message, performance across the Leisure businesses for this year would have been stronger if not for the disruptions in March 2026, which is a peak month for both Sri Lanka and the Maldives, as a result of the conflict in the Middle East.

With Sri Lanka's tourism arrivals now surpassing pre pandemic levels, we remain confident in the continued upward trajectory, which will support the absorption of existing capacity and help enhance yields. While there has been some short term impact arising from the ongoing Middle East conflict, we expect arrivals to be resilient in the medium to long term, driven by more regional and medium-haul travel in the event long-haul travel is disrupted on account of a prolonged conflict. CODSL is expected to be a key driver of incremental demand, particularly from India, given its differentiated positioning within the conferencing, leisure and entertainment landscapes. This momentum is reflected in forward bookings for accommodation as well as international conferences and events. Cinnamon Life's conference and event facilities have generated significant interest from both local and international organisers, with events being drawn to Colombo specifically due to its scale and capability, reinforcing its position as an emerging venue in the region.

The Destination Management sector improved profitability during the year in line with the growth in tourist arrivals to Sri Lanka and an increase in the revenue per pax handled.

In March 2026, John Keells Hotels PLC divested its entirety of 98.39% equity stake in Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel Kandy, for Rs.2.78 billion, resulting in a disposal gain on the sale amounting to Rs.1.52 billion, at an EBITDA level. In line with the agreement with the acquirer, Cinnamon Citadel will continue to be managed under the Cinnamon Hotels & Resorts brand for a minimum period of 12 months. The divestment follows the recent opening of Kandy Myst by Cinnamon where the Group has a minority equity stake and a long term management contract under the Cinnamon brand, and is aligned with the Group's asset light strategy in its hotels business. The proceeds from the divestment will facilitate the optimum allocation of capital towards upgrading the Group's hotel portfolio in line with the positioning and outlook of these properties.

Leisure

Revenue incl. Associates		**Recurring EBITDA**	
Rs.**67.51** billion	↑ 35%	Rs.**12.49** billion	↑ 176%
2024/25: Rs.50.10 billion		2024/25: Rs.4.53 billion	
Recurring PBT		**Recurring PAT**	
Rs.**(10.30)** billion	↓ (44)%	Rs.**(11.84)** billion	↓ (51)%
2024/25: Rs.(7.13) billion		2024/25: Rs.(7.84) billion	

"The Group is confident that revenue and profitability from the Cinnamon Life hotel and the other components of CODSL will continue to ramp up over the next few quarters. With all elements now operational and booking momentum continuing to build, we expect this positive earnings trajectory to be sustained"

City of Dreams Sri Lanka

The year under review marked a significant milestone for CODSL, with the integrated resort entering its first full year of operations following the opening of the Cinnamon Life hotel, the ultra-luxury Nuwa hotel, the casino and the first phase of the retail mall. CODSL recorded positive EBITDA in the third and fourth quarters of the year, which more than offset losses in the first half, resulting in a cumulative positive recurring EBITDA of Rs.933 million for the full year, reflecting improving operating momentum across the integrated offering.

The Cinnamon Life hotel continued to receive a strong response from both local and international markets, with month on month improvements in occupancy driven by rising awareness in key regional markets. Demand was particularly strong for conferences and large-scale events, including from Indian corporates. This was supported by the hotel's purpose-built, best-in-class MICE infrastructure. Its unique event spaces have enabled Colombo to attract international conferences previously not feasible, enhancing the city's competitiveness within the regional MICE landscape, with average room rates expected to register growth alongside rising occupancies. Occupancies at Nuwa also trended upward during the year, aligned with the improvement in casino operations and contributing positively to overall performance.

The retail mall commenced operations in a phased manner, with two floors currently operational. The remaining space is expected to be substantially leased in the next financial year, with several outlets currently undergoing fit outs and larger anchor offerings, including the cinema, scheduled to open in the second half of the ensuing year. We are confident that footfall will increase once the remaining spaces and the cinema are operational, together with more activity within the integrated resort.

Since its commencement in August 2025, casino operations have been steadily ramping up with an encouraging pick-up witnessed from the fourth quarter onwards. During the year under review, the Group recognised fixed rental income, while the variable rental component will come into effect once operations reach a certain level of activity, in line with the anticipated ramp-up. As footfall to the casino continues to gather momentum, it will serve as a key catalyst in driving higher hotel occupancy.

The Group is confident that revenue and profitability from the Cinnamon Life hotel and the other components of CODSL will continue to ramp up over the next few quarters. With all elements now operational and booking momentum continuing to build, we expect this positive earnings trajectory to be sustained, supported by the reduction in finance expenses further to the refinancing of the loan facility at WPL.

PROPERTY

The Property industry group recurring EBITDA of Rs.2.96 billion in 2025/26 is an increase of 106% over the recurring EBITDA of the previous year [2024/25: Rs.1.44 billion]. Recurring EBITDA includes fair value gains on investment property amounting to Rs.1.26 billion mainly pertaining to the office tower at WPL [2024/25: Rs.795 million]. The increase in EBITDA is mainly driven by profit recognition from sales at the Cinnamon Life and VIMAN development projects.

During the year, 49 residential units at Cinnamon Life were sold, increasing the cumulative number of units sold to 343. Five commercial office floors were rented out during the year, bringing the office complex to full occupancy, reinforcing the development's positioning as a premier mixed-use commercial destination. This was driven by increased demand from foreign and offshore-linked enterprises expanding their presence in Sri Lanka, which has resulted in strong demand for office and residential apartment spaces in the city, leading to higher rental yields. The Group is confident that the sales momentum for residential apartments will pick up given the completion and opening of all the elements within the integrated resort.

The VIMAN residential development in Ja Ela continued to witness strong sales momentum during the year, attracting a broadening customer base comprising both first-time homeowners and investment-driven buyers, with particularly strong demand from customers in surrounding urban areas. In response to favourable market conditions, the fourth and final phase, comprising 152 units, was launched in November 2025. Cumulative SPAs across all four phases reached 243 units, with 175 units remaining unsold at year end.

Property

Revenue incl. Associates		**Recurring EBITDA**	
Rs.12.88 billion	↑ 26%	Rs.2.96 billion	↑ 106%
2024/25: Rs.10.23 billion		2024/25: Rs.1.44 billion	
Recurring PBT		**Recurring PAT**	
Rs.3.15 billion	↑ 166%	Rs.2.89 billion	↑ 158%
2024/25: Rs.1.18 billion		2024/25: Rs.1.12 billion	

"John Keells Properties launched its latest development, Vauxhall DSTRCT, a 749-unit, 60-storey residential project in Colombo 02, positioned to meet growing demand for centrally located, integrated urban living while unlocking value from the Group's prime land bank."

Construction progressed broadly in line with plan, with structural completion of phases 1 and 2 and the commencement of phase 3. The completed phases are expected to be handed over in the coming year, with revenue recognition set to ramp up progressively in line with construction completion.

Cumulative sales for the TRI-ZEN residential development project increased by 42 units to 779 units, out of a total 897 units in the project. During the year, apartment sales saw a slight moderation as there was supply of units through the secondary market post completion of the development. TRI-ZEN is now seeing renewed momentum as most of the secondary market sales have now been absorbed.

In March 2026, John Keells Properties launched its latest development, Vauxhall DSTRCT, a 749-unit, 60-storey residential project in Colombo 02, positioned to meet growing demand for centrally located, integrated urban living while unlocking value from the Group's prime land bank. Construction is expected to commence upon achieving the required pre-sales threshold.

FINANCIAL SERVICES

The Financial Services industry group recurring EBITDA of Rs.11.37 billion is an increase of 4% over the recurring EBITDA of the previous financial year [2024/25: Rs.10.91 billion], mainly driven by the profitability of Nations Trust Bank PLC (NTB). The increase in profit was offset to an extent due to the divestment of FairFirst Insurance Limited in September 2025.

Nations Trust Bank (NTB) recorded a growth in profitability aided by strong loan growth and a continued reduction in impairments. In September 2025, the Bank entered into a binding Sales and Purchase Agreement with the Hongkong and Shanghai Banking Corporation, acting through its Sri Lanka Branch (HSBC Sri Lanka) to acquire its Retail Banking franchise in Sri Lanka for a consideration of Rs.18 billion plus applicable taxes. The Bank successfully completed the acquisition of the Retail Banking franchise with effect from 1 May 2026 with live operations commencing thereafter. The transaction included HSBC Sri Lanka's branch network, premium banking segment, credit and debit portfolio, fixed deposits, retail loans, and over 200,000 customer accounts. As announced to the market by NTB, the transfer of assets and liabilities were broadly in line with the business plan, which paves the way for the bank to optimise the value derived from the new portfolio. The acquisition marks a significant milestone in the Bank's growth journey, strengthening its position in the retail banking segment.

Union Assurance (UA) recorded encouraging double-digit growth in gross written premiums, driven by renewal premiums and regular new business premiums. UA operates one of the largest bancassurance networks in the country and has one of the highest policy value growth rates in the industry.

Financial Services

Revenue incl. Associates
Rs.44.16 billion
2024/25: Rs.38.14 billion
↑ 16%

Recurring EBITDA
Rs.11.37 billion
2024/25: Rs.10.91 billion
↑ 4%

Recurring PBT
Rs.11.36 billion
2024/25: Rs.10.88 billion
↑ 4%

Recurring PAT
Rs.9.88 billion
2024/25: Rs.9.37 billion
↑ 6%

"Nations Trust Bank (NTB) recorded a growth in profitability aided by strong loan growth and a continued reduction in impairments."

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

The Information Technology sector recurring EBITDA of Rs.719 million in 2025/26 is an increase of 20% over the recurring EBITDA of the previous financial year [2024/25: Rs.599 million]. The profitability of the Information Technology sector improved due to onboarding of new clients and new business from existing clients.

The Plantation Services sector recurring EBITDA of Rs.96 million in 2025/26 is a decrease of 69% over the recurring EBITDA of the previous financial year [2024/25: Rs.312 million], as a result of the divestment of Tea Smallholder Factories PLC in April 2025 and a bad debt provision at the Tea Broking business, John Keells PLC.

Other, comprising the Holding Company and other investments, the Information Technology and Plantation Services sectors, together, recorded a recurring EBITDA of Rs.2.24 billion in 2025/26, which is a decrease of 42% over the recurring EBITDA of the previous financial year [2024/25: Rs.3.87 billion]. The decline in EBITDA is on account of the decrease in interest income at the Holding Company due to a reduction in the investible base on account of the planned settlement of borrowings and lower market interest rates. Concurrently, finance expenses decreased at the Holding Company, which contributed positively to PBT, due to the absence of any interest charge on the convertible debentures issued to HWIC compared to the third quarter of the previous year, as the remainder of the debentures were fully converted in January 2025.

Other, Including Information Technology and Plantation Services

Revenue
Rs.4.10 billion
2024/25: Rs.6.13 billion
↓ (33)%

Recurring EBITDA
Rs.2.24 billion
2024/25: Rs.3.87 billion
↓ (42)%

Recurring PBT
Rs.(6.06) billion
2024/25: Rs.(6.71) billion
↑ 10%

Recurring PAT
Rs.(9.35) billion
2024/25: Rs.(9.18) billion
↓ (2)%

ADVANCED ANALYTICS

The Group has made sustained investments in advanced analytics as a long-term strategic capability since 2019. These investments have continued to mature, delivering measurable and independently governed outcomes across the portfolio. While further value remains to be unlocked, analytics-led insights are now increasingly embedded in decision-making processes, supporting a tangible shift in our ways of working.

OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, continued to operate as an independent analytics practice during the year, supporting both Group companies and a select number of external clients. The extension of OCTAVE's activities beyond the Group reflects the strength of the capability established as well as the growing external recognition of the practice.

During the year, analytics initiatives were further scaled across multiple industry groups. In Supermarkets, the focus was on enhancing customer-oriented design within deployed use cases; in Consumer Foods, on distribution planning and optimisation, while Leisure progressed on its analytics roadmap. In the Insurance business, initiatives continued to centre on agent activation and customer retention. Collectively, these efforts have further embedded data-driven decision-making within core business processes.

OCTAVE now operates across seven industry groups, with over sixty use cases in active production across the Group's businesses. A disciplined approach to value assurance has been critical in translating pilot outcomes into sustained operational impact.

Governance of delivered impact continues to be overseen by the Financial Impact Tracking (FIT) Committee, which independently approves use cases for rollout based on pilot results and monitors performance against plan post-deployment. Evidence to date indicates that value demonstrated at the pilot stage has been sustained following full rollout.

The Group continued to strengthen its enterprise data architecture, improving data quality, interoperability, and governed access at scale. Together with ongoing capability-building initiatives, these foundations position the Group to leverage evolving enterprise AI applications within clearly defined governance and data privacy and protection frameworks.

"OCTAVE now operates across seven industry groups, with over sixty use cases in active production across the Group's businesses. A disciplined approach to value assurance has been critical in translating pilot outcomes into sustained operational impact."

CHAIRPERSON'S MESSAGE

EMPLOYEES

The value creation process of the Group is built on our loyal and committed employees. I extend my gratitude to them for their unwavering contribution and dedication during the year under review.

Our journey has been defined by the calibre of people who have chosen to be part of the Group. By bringing together individuals from diverse backgrounds, we have built a workforce that mirrors the richness of the communities we serve. We remain committed to fostering an environment where employees are empowered to thrive, guided by a culture of integrity, transparency, and performance excellence. This approach not only strengthens our organisation but also ensures that our growth is sustainable. The dedication and talent of our people continue to be the cornerstone of our success and will remain a vital advantage in the years ahead.

During the year, the Group concluded a project to define and articulate its Employee Value Proposition (EVP). Conducted in collaboration with a leading global consulting firm, this initiative introduced targeted programmes and initiatives designed to ensure that employees experience the EVP in their day-to-day work. These efforts are intended to strengthen our ability to attract, retain and motivate talent, while reinforcing the Group's reputation as an employer of choice. We also initiated a comprehensive review of our total rewards philosophy, evaluating its effectiveness and alignment with the evolving expectations of both current and future generations of employees. The findings of this review will be assessed for relevance and suitability in the coming financial year, ensuring our rewards framework remains competitive and future ready. Furthermore, the Group implemented a new engagement survey, designed to provide deeper insights into employee sentiment. This initiative underscores our belief that engagement is a critical driver of organisational success. The results will guide us in shaping strategies and action plans in an empowered manner to foster a more connected and high-performing workforce.

The Corporate Governance Commentary and the Human Capital Review sections of this Report explain in further detail the best practices, policies and procedures that are in place.

ONE JKH – Our Commitment to Diversity, Equity, and Inclusion

The Group continued to strengthen its ONE JKH commitment to Diversity, Equity and Inclusion (DE&I), with sustained focus on our priority areas of gender parity, expanding opportunities for persons with disabilities and fostering inclusivity for the LGBTIQ+ community. We continue to embed these priorities through progressive policies and frameworks with initiatives and training as introduced over the previous years. These measures aim to remove systemic barriers and enable equitable opportunities for all. Importantly, much of the Group's DE&I progress has been driven by passionate colleagues who volunteer their time and expertise.

The Group extends its DE&I commitments, including its zero-tolerance stance on harassment and violence, beyond the workplace and into the communities in which we operate through Project WAVE, led by John Keells Foundation. Our businesses also continue to embed DE&I principles across the value chain by consciously designing inclusivity into partnerships and collaborations. John Keells remains steadfast in its belief that advancing DE&I is essential not only to expanding economic opportunity for all, but also to supporting Sri Lanka's broader economic progress.

"The Group concluded a project to define and articulate its Employee Value Proposition (EVP). Conducted in collaboration with a leading global consulting firm, this initiative introduced targeted programmes and initiatives designed to ensure that employees experience the EVP in their day-to-day work."

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INITIATIVES

Governance

The Group's framework for ethical conduct is anchored in its Policy on Conduct and Business Ethics and is further reinforced by the Group Code of Conduct and the Supplier Code of Conduct. During the year, the Group Code of Conduct was refreshed to enhance clarity, practical relevance, and ease of application in employees' day-to-day responsibilities. These instruments are grounded in applicable laws, rules, and codes, including the Code of Best Practice on Corporate Governance 2023.

I am pleased to report that there were no material violations of these standards during the year. Minor instances of non-compliance identified through internal monitoring mechanisms were addressed in a timely manner and are disclosed in this Report. The Group enforces a zero-tolerance approach to corruption, bribery, and any form of harassment or discrimination, whether within the workplace or in any work-related context, and expects these standards to be upheld by employees, business partners, and suppliers alike.

During the year under review, the Group continued to strengthen its governance architecture, risk oversight and control environment, with a particular focus on sustainability governance, technology-enabled controls, cyber resilience and regulatory readiness, as explained below.

Pursuant to the adoption of SLFRS S1 and S2 sustainability-related financial and climate-related disclosure standards issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), the Group undertook a structured implementation programme to prepare for compliance with the Colombo Stock Exchange reporting requirements, effective 1 January 2025. Based on the findings, the Group implemented the requisite frameworks, processes and governance structures to support the enhanced disclosure requirements. To build internal capability and deepen understanding of the standards and their implications for reporting and governance, workshops and working sessions were conducted across the Group with senior leadership and their teams. Material sustainability- and climate-related risks and opportunities from a Group perspective were evaluated and presented to the Group Executive Committee (GEC) for subsequent approval and clearance by the Board.

The Group established an ESG and Sustainability Steering Committee, responsible for oversight of sustainability- and climate-related impacts, risks and opportunities and to guide the Group's sustainability agenda and full implementation of the sustainability standards.

The Group also enhanced its enterprise resource planning system through the implementation of the updated version of its current platform, migrating to a standardised, cloud-based core system to improve data integrity, real-time performance visibility, process standardisation, auditability and internal control effectiveness across operations, supported by enhanced process intelligence through a process intelligence tool. The migration was concluded in March 2026 with minimal disruption and has since been fully stabilised. Importantly, all year-end financial closing requirements were completed on the new system. In parallel, the Group conducted a high-level review of the authorisation matrix to validate access levels, address anomalies and ensure secure and consistent user access controls ahead of go-live. The new platform addresses a significant portion of the productivity and control enhancements identified through pre-migration use cases. The Group will continue to execute a structured roadmap to optimise dashboards, real-time reporting, performance monitoring, analytics and planning, including cash and treasury management, to further strengthen data-driven decision-making and oversight.

In relation to technology risk, the Group further strengthened cyber and technology governance through the expanded adoption of the Zero Trust Security Model, including enhanced identity-based access controls, strengthened network security and migration to a Secure Service Edge architecture, improving threat detection, monitoring, policy enforcement and overall cyber resilience across the Group.

The Group continued to align its data governance practices with the Personal Data Protection Act. This was supported by internal data protection principles and globally recognised best practices. Dedicated Data Protection Officers oversee compliance, supported by the Data Governance Steering Committee, and ongoing enhancements to technical, security and organisational measures continue to be implemented to ensure sustained compliance and safeguard stakeholder data. There were no data breaches reported during the year and a majority of gaps across the businesses have been rectified.

The compliance framework relating to financial misconduct was further strengthened through alignment with the Financial Intelligence Unit of Sri Lanka, to enhance monitoring, coordination and implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising their broader national significance.

Further details on governance compliance and initiatives can be found in the Corporate Governance Commentary of this Report.

"The Group continued to strengthen its governance architecture, risk oversight and control environment, with a particular focus on sustainability governance, technology-enabled controls, cyber resilience and regulatory readiness."

Integrated Reporting

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors and the Group Executive Committee are responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability and integrity of the information presented, and, in this regard, external assurance has also been sought from independent auditors, as applicable.

Sustainability

Sustainability remains fundamental to the Group's long-term value creation, resilience, and ability to operate responsibly in an evolving environment. Our purpose is grounded in the stewardship of natural, human and social capital, ensuring that our operations create sustainable value for all stakeholders while safeguarding the ecosystems and communities within which we operate.

The Group reaffirmed its sustainability priorities through a review of its material impact topics, which include climate and energy, water stewardship, waste and circularity, biodiversity, employee well-being and community engagement. These priorities continue to guide our strategy, investment decisions and operational practices, supported by clearly defined policies, commitments and strengthened governance structures to ensure accountability and disciplined execution across the Group.

During the year, we took steps to deepen our understanding of sustainability-related risks and opportunities across the value chains of our sectors. This group-wide assessment, with the support of an international consulting firm, enabled us to identify key dependencies, impacts, risks and opportunities (IROs), and to assess how these may translate into long-term value creation, risk mitigation and financial impact by adopting a double materiality perspective, which considers both impacts on society and the environment, as well as financial relevance to investors. We have progressively begun to integrate these insights stemming from sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) into our enterprise risk management framework as well. Further details of our SRROs and CRROs and related strategies are provided in the SLFRS S1 and S2 Disclosure Section of this Report.

The ESG and Sustainability Steering Committee that was set up during the year is now tasked with providing strategic direction and effective coordination across sectors to manage the Group's IROs. The detailed governance structure, including the Group's Sustainability Management Framework (SMF), is provided in the Corporate Governance Commentary section of this Report.

This Report has been prepared in alignment with the Global Reporting Initiative (GRI) Standards for impact materiality disclosures, while also aligning with SLFRS S1 and S2 for financial materiality, and considering relevant SASB indicators. In applying SLFRS S1 and S2, the Group has utilised applicable reliefs as outlined in the Introduction to the Report.

CHAIRPERSON'S MESSAGE

"The Group reaffirmed its sustainability priorities through a review of its material impact topics, which include climate and energy, water stewardship, waste and circularity, biodiversity, employee well-being and community engagement."

In translating sustainability priorities into performance, the Group continued to monitor progress through a defined set of key environmental and social indicators. During the year under review, the Group's absolute carbon footprint increased by 18% to 186,959 MT, energy usage by 9% to 1,129,189 GJ, water withdrawal by 12% to 2,564 megalitres and waste generated by 36% to 14,192 metric tonnes when compared to the previous year. The primary drivers of these increases were operational expansions within the Leisure, Retail and Consumer Foods industry groups.

The Group's intensity performance during the year was supported by revenue growth across key sectors, particularly within the Retail industry group which saw an increased contribution from the NEV business, together with ongoing energy efficiency initiatives, which contributed to improved overall intensity performance.

The Group's renewable energy usage for the year stood at 90,539 GJ, which amounts to 8% of total energy consumption, with the Retail industry group contributing the largest share.

Notwithstanding increased operational activity, the Group achieved several key milestones in impact management and risk mitigation. Key advancements include embedding sustainability- and climate-related risks into its overall Enterprise Risk Management process.

Additionally, specific strategies on risk mitigation were also identified based on financially material SRROs and CRROs, details of which are provided in the Capital Review section and the SLFRS S1 and S2 Disclosure section of this Report.

Looking ahead, we will continue to strengthen our approach to managing both sustainability impacts and associated risks by enhancing data systems, refining the quantification of financially material sustainability-related risks and embedding sustainability considerations into strategic decision-making.

Plasticcycle

The Group's social entrepreneurship initiative project, Plasticcycle, continued to make an effective contribution to addressing plastic pollution in Sri Lanka through awareness, collaboration and community engagement.

In partnership with the Ministry of Environment, a nationwide public awareness campaign was launched across social media platforms to highlight the environmental and social impacts of plastic pollution and to encourage responsible disposal practices.

The Plasticcycle bin network continued to grow during the year, reaching 325 locations islandwide, improving accessibility to responsible plastic disposal and reinforcing circularity efforts at the community level. This expanding network now includes several iconic and high-visibility locations, such as Bandaranaike International Airport and the Sacred Temple of the Tooth.

The marine conservation partnership under the Cleaner Seabeds for Sri Lanka expedition also progressed, with multiple reef clean-ups contributing to the removal of discarded fishing gear and marine litter. Since inception, the initiative has facilitated the removal of over 2.4 metric tonnes of plastic waste and abandoned, lost, or discarded fishing gear from Sri Lanka's sea beds.

Plasticcycle further strengthened its impact through community outreach in collaboration with youth and environmental organisations and Group volunteer engagement.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) remains an integral part of the Group's ethos. Since its launch in 2005, John Keells Foundation (JKF), the Group's dedicated CSR entity, has led the societal outreach initiatives of the Group, empowering communities to be more productive, self-reliant and cohesive, towards building a more progressive and stronger Sri Lanka, guided by the vision of 'Empowering the Nation for Tomorrow' through initiatives across the focus areas of education, community & livelihoods, social health & cohesion and biodiversity.

These were complemented by relief interventions in the aftermath of Cyclone Ditwah, underscoring the Group's commitment to resilience and solidarity. Collectively, these initiatives reflect JKF's sustained alignment with national priorities, the Sustainable Development Goals, and the UN Global Compact Principles, while reinforcing the Group's ethos of sustainable and inclusive growth.

In the reporting year, JKF commemorated 21 years of its incorporation by launching a redesigned website and initiating development of a customised Volunteer App designed to digitise the full process of volunteer engagement in CSR, with a view to significantly enhancing volunteer participation within the Group.

While the Social and Relationship Capital and Natural Capital Review sections of this Report detail our initiatives, below are a few key highlights from the reporting period.

Disaster Response

- The Group and its staff supported relief efforts through various initiatives, including a substantial contribution of Rs.500 million from John Keells Holdings PLC and its affiliate companies towards the Government's 'Rebuilding Sri Lanka' initiative.
- Relief efforts were undertaken by various Group businesses in collaboration with partner organisations, supporting over 2,900 school children with meals, learning supplies, and essential school items across multiple districts.
- The Group coordinated community-based relief efforts supported thousands of individuals through the provision of immediate relief such as dry rations, prepared meals, drinking water, and medical supplies, as well as relocation support through well-cleaning and health screening initiatives.

"The Group and its staff supported relief efforts through various initiatives, including a substantial contribution of Rs.500 million from John Keells Holdings PLC and its affiliate companies towards the Government's 'Rebuilding Sri Lanka' initiative."

Education, essential skills and career readiness

» Construction of the Nithulemada Model Pre-school in the Medadumbara Pradeshiya Sabha of the Kandy District was completed and vested in the community by JKF, providing equitable and easy access to early childhood education.

» JKF's English Language Scholarship Programme, commissioned an impact assessment of its 'English for Teens' programme covering 700 beneficiaries over the past ten years. Findings validated significant gains in English proficiency, higher education outcomes, employment opportunities and community participation.

» Higher Education Scholarships, university soft skills workshops and career guidance programmes supported 523 schoolchildren, youth and undergraduates, directly addressing Sri Lanka's skills gap.

Fostering sustainable livelihoods and self-reliance

» JKF, in partnership with Group businesses, continued its sustainable livelihood programmes through its business-centric community empowerment project, John Keells *Praja Shakthi* and the Rural BPO initiative, with a focus on women's empowerment, supporting 303 entrepreneurs through ongoing skills development, market access and enhanced incomes.

» The 33rd Edition of Kala Pola, Sri Lanka's renowned open-air art fair presented by the George Keyt Foundation in partnership with JKF, recorded the highest number of registered artists and stalls in the event's history, with the participation of 487 registered artists and 13,689 visitors.

Combating gender-based violence, child abuse and substance abuse

» Through Project WAVE (Working Against Violence through Education) national and community awareness and capacity continued to be strengthened through sensitisation, training and supportive ecosystems.

- As per Sri Lanka Police reporting, JKF-sponsored investigative software for the Bureau for the Prevention and Investigation of Abuse of Children and Women, donated in 2023, has measurably improved its capacity to investigate cases, enabling 22 rescues, 21 arrests and 111 case filings in the reporting year.
- Outreach public campaigns marking the International Day for the Elimination of Violence Against Women and National Children's Day reached a total of 651,948 individuals, while year-round programming including awareness for Group personnel, targeted schools, communities and government officials as well as training of trainers for police officers impacted a total of 4,746 individuals.

» Awareness on substance abuse prevention conducted in partnership with the National Dangerous Drugs Control Board and through commemorative activities marking the International Day Against Drug Abuse reached 2,554 students, parents and teachers.

Supporting creative industries towards fostering social cohesion

JKF continued to support several strategic programmes for boosting Sri Lanka's creative economy through the development of art and literary professionals and supporting sustained livelihoods while using the arts as a platform for fostering social cohesion and inclusiveness. Highlights included:

» JKF's ongoing collaboration with Cinnamon Life in hosting Artist Spotlight towards enhancing the profiling and recognition of Sri Lankan artists and the destination attractiveness of Colombo resulted in four successful events during the year.

» The curated art exhibition sponsored by JKF, as Patron of the Arts Festival of the HSBC Ceylon Literary and Art Festival's 3rd edition, under the theme 'The Resilient Isle', featured 19 artists and attracted over 1,400 visitors.

» JKF's patronage of the biennial Matara Festival for the Arts as Festival Patron of the 2nd edition, supported six centrepiece projects that featured 108 artists and attracted over 5,800 visitors.

Enhancing biodiversity

Key initiatives towards conserving and promoting natural resources, habitats and wildlife, as well as adopting good agricultural practices in relation to livelihood and food security initiatives, included the following:

» The Cinnamon Rainforest Restoration Project - a flagship public-private collaboration between the Forest Department, *Ruk Rakaganno*, Cinnamon Hotels & Resorts and JKF, recorded its 4th year of rehabilitating 59 acres of degraded forest land in Sri Lanka's wet zone.

» Nature Field Centre, Rumassala - established in 2008 through a long-term partnership between JKF and the Central Environment Authority (CEA), serving as CEA's flagship centre for providing experiential learning for schoolchildren and visitors, underwent extensive renovation during the year spearheaded by JKF in collaboration with Cinnamon Hotels & Resorts and the Faculty of Architecture of the University of Moratuwa.

Group volunteerism

During the year under review, JKF recorded its highest volunteer participation to date, with 15,096 hours contributed by 2,500 staff volunteers across the Group.

DIVIDENDS

Your Board declared a final interim dividend of Rs.0.10 (10 cents) per share to be paid on or before 24 June 2026, aligned with the first and second interim dividend paid in November 2025 and February 2026.

Accordingly, the dividend declared for 2025/26 is Rs.0.30 per share [2024/25: Rs.0.15 per share], reflecting the improved business momentum. The outlay for the total dividend paid is Rs.4.42 billion, which is an increase compared to Rs.2.46 billion in the previous year.

The Group will follow its dividend policy which corresponds with growth in profits, whilst ensuring that the Company maintains adequate funds to ensure business continuity and to fund its pipeline of strategic investments.

CHAIRPERSON'S MESSAGE

"JKH was recognised as Sri Lanka's 'Most Respected Entity' by LMD magazine for the 20th time.

These recognitions are a result of the opinions of diverse stakeholders which underscores integrity in our business conduct, the authenticity and transparency of our communication and disclosures, and our continued commitment to impactful community engagement and environmental sustainability."

AWARDS AND ACCOLADES

I am pleased to state that JKH was recognised as Sri Lanka's 'Most Respected Entity' by LMD magazine for the 20th time since the commencement of the rankings in 2004. LMD also recognised JKH as Sri Lanka's 'Most Loved Corporate Brand' for the 2nd consecutive year.

These recognitions are a result of the opinions of diverse stakeholders which underscores integrity in our business conduct, the authenticity and transparency of our communication and disclosures and our continued commitment to impactful community engagement and environmental sustainability. The Group and its businesses were recipients of many other awards and accolades during the year. These are listed in the Group Consolidated Review and the Industry Group Review sections of the Report.

APPOINTMENT AND RESIGNATION OF DIRECTORS

As announced to the Colombo Stock Exchange on 27 June 2025, Mr. M. K. Menon was appointed as an Independent Non-Executive Director of John Keells Holdings PLC, with effect from 1 July 2025.

Dr. H. Wijayasuriya will retire from the John Keells Holdings PLC Board with effect from 1 July 2026, having served on the Board for over nine years. I would like to place on record our deep appreciation for the invaluable contribution made by Dr. Wijayasuriya during his tenure on the Board.

CONCLUSION

On behalf of the Board of Directors, I extend my sincere gratitude to all our stakeholders for their unwavering support throughout the year. Your trust and collaboration have been instrumental in our continued success.

I express my deepest appreciation to the staff of John Keells Group for their dedication, understanding, and teamwork, which have collectively contributed to this year's performance and laid the foundation for the continuation of this momentum in the years ahead.

I extend my heartfelt thanks to my esteemed colleagues on the Board and the Group Executive Committee for their valuable guidance and support.



Krishan Balendra
Chairperson

26 May 2026

INVESTOR RELATIONS

GROUP HIGHLIGHTS

The ensuing section details the key highlights of the year under review, followed by an overview of the key verticals, its industry potential, outlook and the initiatives that are undertaken to drive growth.

The JKH Investor Presentations are available on the Corporate Website to provide easier access and in-depth details of the operational performance of the Group.

https://www.keells.com/investor-relations

FINANCIAL AND MANUFACTURED CAPITAL

Recurring EBITDA Analysis - Fourth Quarter

Rs.million	Q4 2025/26	Q4 2024/25	Variance	%
Transportation	**4,153**	2,139	2,014	94
Consumer Foods	**3,210**	2,293	917	40
Retail	**6,597**	3,415	3,182	93
John Keells CG Auto (JKCG)	***2,123***	*(57)*	*2,180*	*3,825*
Supermarkets and John Keells Office Automation (JKOA)	***4,474***	*3,472*	*1,002*	*29*
Leisure	**7,185**	4,382	2,803	64
City of Dreams Sri Lanka (CODSL)	***1,168***	*(1,219)*	*2,387*	*196*
Leisure excl. CODSL	***6,017***	*5,601*	*416*	*7*
Property	**1,041**	559	482	86
Financial Services	**2,198**	2,144	54	3
Other, inc. IT and PS	**(377)**	981	(1,358)	(138)
Group	**24,007**	**15,914**	**8,093**	**51**

Refer Financial and Manufacturing Capital Review for recurring adjustments – page 51.

» The substantial uplift in EBITDA during Q4 was primarily driven by strong performances across the Retail, Transportation and Leisure industry groups, with all other businesses also contributing positively to overall growth.

» The Transportation industry group recorded strong profitability growth, led by the Bunkering business, Lanka Marine Services (LMS), and Colombo West Container Terminal (CWIT), the project company of WCT-1. LMS achieved its highest ever quarterly volume, driven by a growth of 60%, alongside improved margins, largely driven by increased demand resulting from supply disruptions linked to developments in the Middle East. Reported EBITDA growth was achieved despite a one off charge of Rs.676 million relating to indirect taxes recognised within administrative and operating expenses.

» CWIT recorded strong volume growth, recording a positive PAT, ahead of expectations, despite phase 1-related depreciation. March 2026 volumes of ~135,000 TEUs indicate full utilisation, on an annualised basis, of its phase 1 1.6 million TEU capacity, within its inaugural year of operations.

» The Consumer Foods industry group delivered strong profitability growth, driven by volume expansion of 30% and 12% in the Beverages and Confectionery businesses, respectively. Volume growth was supported by favourable weather conditions, improved consumer activity and new product launches, alongside supply disruptions affecting a key competitor in Beverages, post cyclone Ditwah. Margins in Beverages improved due to enhanced operating leverage, while Confectionery margins declined marginally due to higher raw material costs and stock write-offs following Cyclone Ditwah.

» The Retail industry group recorded a substantial increase in profitability, primarily driven by the Group's New Energy Vehicle (NEV) business, John Keells CG Auto (JKCG), followed by the Supermarket business. During the quarter, 2,133 vehicles were handed over. Although demand moderated as pent-up demand normalised, order momentum strengthened towards the latter part of the quarter, supported by fuel-related disruptions linked to the Middle East conflict.

» Profitability in the Supermarket business was supported by strong net same-store sales growth of 14.2%, driven by an 8.6% increase in footfall and a 4.7% rise in average basket value (ABV). EBITDA growth was aided by higher promotional income and supplier rebates.

» The Leisure industry group recorded a significant uplift in profitability with broad-based contributions from the Sri Lanka Leisure businesses, despite softer arrivals in March 2026, which is the tail end of the winter season, due to geopolitical developments in the Middle East. Performance was led by the turnaround at CODSL, supported by improved occupancy, higher room rates, banquet revenue and fixed rental income from casino operations. Colombo Hotels performed strongly, driven by growth in ARR, while Maldivian Resorts recorded lower EBITDA primarily due to elevated fuel costs. The PBT of CODSL was impacted by a net exchange loss of Rs.1.02 billion due to the depreciation of the Rupee [2024/25 Q4: Rs.0.64 billion]

» The Property industry group recorded a growth in profitability driven by sales at Cinnamon Life, VIMAN and TRI-ZEN.

» Nations Trust Bank PLC reported improved profitability, supported by strong loan growth and a continued decline in impairments, which is already at a healthy level with Stage 3 loan ratio at 1.0% for Q4 2025/26. Union Assurance PLC delivered encouraging double-digit growth in gross written premiums, driven by renewals and new business.

» The Other segment, including Information Technology and Plantation Services, recorded a decline in EBITDA. The comparative period included contributions from Tea Smallholder Factories PLC prior to its divestment in April 2025. Interest income declined due to lower gains on hedged loan instruments, while higher costs at the Holding Company further impacted performance. Interest expense remained broadly stable. PBT included net exchange gains of Rs.318 million (Q4 2024/25: Rs.157 million), arising from the Holding Company's net US Dollar denominated cash balances.

INVESTOR RELATIONS

GROUP HIGHLIGHTS

Annual Recurring EBITDA, PBT and Attributable PAT

Rs.million	2025/26	2024/25	2023/24
Recurring EBITDA			
Transportation	**9,674**	7,318	7,570
Consumer Foods	**7,573**	6,684	4,993
Retail	**31,740**	10,944	8,762
John Keells CG Auto (JKCG)	***18,296***	*(180)**	*(24)**
Supermarkets and John Keells Office Automation (JKOA)	***13,444***	*11,124*	*8,786*
Leisure	**12,486**	4,527	9,059
CODSL	***933***	*(4,743)*	*(1,063)*
Leisure excl. CODSL	***11,554***	*9,271*	*10,122*
Property	**2,961**	1,441	(822)
Financial Services	**11,370**	10,909	9,296
Other, incl. IT & PS	**2,243**	3,866	4,938
Group	**78,048**	45,689	43,796
Recurring PBT			
Transportation	**8,847**	6,364	6,401
Consumer Foods	**5,432**	4,932	2,957
Retail	**23,292**	5,197	2,933
John Keells CG Auto (JKCG)	***16,158***	*(180)**	*(24)**
Supermarkets and John Keells Office Automation (JKOA)	***7,134***	*5,377*	*2,957*
Leisure	**(10,300)**	(7,129)	3,313
CODSL	***(13,660)***	*(8,207)*	*2,231*
Leisure excl. CODSL	***3,360***	*1,078*	*1,082*
Property	**3,148**	1,184	(857)
Financial Services	**11,365**	10,878	9,293
Other, incl. IT & PS	**(6,060)**	(6,706)	(7,446)
Group	**35,724**	14,720	16,593
Recurring Attributable PAT			
Transportation	**8,210**	6,124	6,262
Consumer Foods	**3,674**	2,830	1,740
Retail	**10,299**	3,135	1,819
John Keells CG Auto (JKCG)	***5,963***	*(180)**	*(24)**
Supermarkets and John Keells Office Automation (JKOA)	***4,336***	*3,315*	*1,843*
Leisure	**(12,034)**	(7,764)	2,997
CODSL	***(14,099)***	*(8,152)*	*2,209***
Leisure excl. CODSL	***2,065***	*388*	*788*
Property	**2,900**	1,049	(449)
Financial Services	**9,543**	9,024	7,447
Other, incl. IT & PS	**(9,355)**	(9,205)	(9,609)
Group	**13,237**	5,193	10,208

**Considered as an equity accounted investee.*
***Includes an exchange gain of Rs.3.29 billion.*

Refinancing of the long term loan at Waterfront Properties (Private) Limited (WPL)

- The USD 189 million syndicated loan facility at WPL, originally maturing in December 2026, was refinanced in March 2026 through a USD 150 million long term loan and a USD 39 million six-month bridging facility.
- The refinancing was concluded at a materially lower interest rate compared to the previous facility.
- The revised structure incorporates a five-year-tenure for the USD 150 million long term facility, including a six month grace period and back ended capital repayments, together with the USD 39 million bridging facility.
- In addition to the pricing benefit, this structure supports a prudent deleveraging trajectory and improved alignment with the project's cash flow profile.
- Accordingly, the combined impact of lower pricing and a reduced outstanding capital base is expected to result in lower finance costs in the periods ahead, subject to foreign currency translation movements, thereby strengthening the earnings profile of CODSL.

Debt Currency Mix

Debt currency mix:

- ~USD 335 million (Rs.105.71 billion), or ~44% of total Group debt is denominated in foreign currency (2024/25: ~55%), although partially offset by the USD cash holdings of its Holding Company, as described below.
- Key sources of exposure include the USD 189 million term loan at WPL and the USD 136 million IFC term loan at the Holding Company.
- The Holding Company retains ~USD 180 million in cash, providing a partial natural offset to the foreign currency debt exposure. The remaining exposure is largely mitigated through a natural hedge via foreign currency-denominated operational cash flows. WPL and a company in Other comprise of a further USD 20 million in cash.

At the Holding Company level:

- The USD 136 million IFC loan is effectively fully hedged by USD 180 million in foreign currency cash.

At the Group level:

- Exposure is primarily driven by WPL and Leisure sector borrowings.
- WPL exposure is expected to reduce as CODSL operations continue to scale up.
- The broader Leisure portfolio already benefits from natural hedging.

Overall net position:

- USD 54 million net USD cash at the Holding Company and Other partially offsets Group exposure.
- Results in a reduced net foreign currency debt exposure of ~USD 125 million.

Capital Expenditure

Group Capital Expenditure

Rs.20,689 million

2024/25: Rs.57,546 million

64% ↓

» The significant decline in capital expenditure, reflects the completion of the Group's large-scale investments undertaken over the past few years, particularly CODSL.

» Businesses in the Group continued to invest in expanding capacity and scale, where demand factors warranted such investments.

The key capital expenditure across the Group during the year was driven by the following:

⊕ Supermarket business, driven by the opening of nine new outlets, together with investments in advanced analytics and related customer-centric initiatives and IT and infrastructure development, including the Nexus loyalty application.

⊕ Deferred payments to contractors in relation to the construction of the CODSL integrated resort.

⊕ Investments in the Confectionery business relating to the new extruder line and capacity expansion, along with capacity enhancements in the Beverages business.

In addition to the routine maintenance capital expenditure, the Group will incur/commit to the following key investments in the near term:

» Final tranches of deferred payments to contractors in relation to the construction of the CODSL integrated resort.

» Final equity tranche in CWIT for the WCT-1 project.

» Bunkering-related investments in the Transportation businesses.

» Continued rollout of ~10-15 Supermarket outlets per annum.

» Refurbishment of Cinnamon Wild Yala, to elevate the property under the Cinnamon Signature Selection portfolio.

» Capacity enhancements in the core businesses of Consumer Foods industry group and selective expansion into adjacent confectionery categories, aligned with evolving consumer preferences, and aimed at broadening market reach while leveraging existing manufacturing and distribution capabilities.

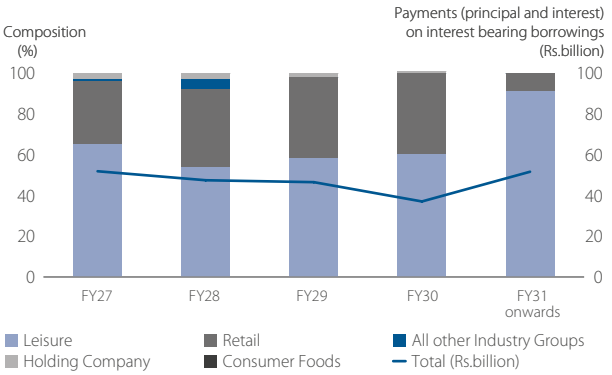
Performance Indicators

Indicator	2025/26	2024/25	2023/24
EPS (fully diluted) (Rs.)	0.77	0.32	0.69
ROCE (%)	9.0	5.1	5.5
Group debt (excl. leases) (Rs.'000)	238,081	210,411	214,104
Net debt (excl. leases) (Rs.'000)	137,213	116,242	127,272
Net debt to EBITDA (Times)	1.7	2.5	2.8

Market Information of the Ordinary Shares of the Company

Indicator	2025/26	2024/25
Average daily turnover (Rs.million)	286	261
Percentage of total market turnover (%)	5.2	8.8
Market capitalisation (Rs.million)	325,667	356,018
Percentage of total market capitalisation (%)	4.3	6.1

Maturity Analysis of Interest Bearing Borrowings



The following should be noted with regard to the illustration above:

» Interest bearing borrowings of the Leisure industry group include the USD 189 million term loan at WPL, comprising of a USD 150 million long term facility and a USD 39 million bridging facility. As per the refinancing structure, USD 39 million is to be settled within six months, as reflected under FY2027 payments in the above graph. ~60% of the long term loan (~USD 90 million) is due for final settlement in March 2031, as reflected under FY2031.

» The USD 136 million outstanding on the term loan from IFC, for which repayments commenced in December 2024, is structured with equally amortising capital repayments till June 2030.

Distributions to Shareholders

» Two interim dividends of Rs.0.10 per share, each, paid in November 2025 and February 2026.

» Final dividend of Rs.0.10 per share declared (payable on or before 25 June 2026).

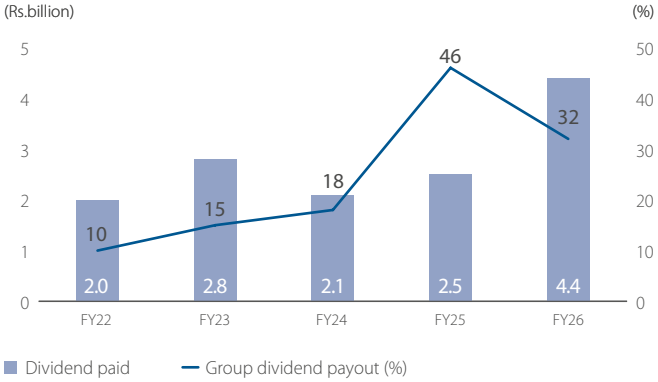
» Total dividend for 2025/26 at Rs.0.30 per share (2024/25: Rs.0.15).

» Company payout ratio at 58%; total outlay Rs.4.42 billion (2024/25: Rs.2.46 billion).

» Group payout ratio at 32% (2024/25: 46%).

» The Group remains committed to a dividend policy that aligns with growth in profits and returns on investments, while ensuring sufficient reserves are retained to support business continuity and its investment pipeline.

Distributions to Shareholders and Payout Ratio



INVESTOR RELATIONS

GROUP HIGHLIGHTS

Group Revenue* 2025/26	Rs.million				YoY %				Total (Rs.million)		YoY %
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY26	FY25	
Transportation	12,336	13,527	13,555	22,921	(2)	(14)	12	61	62,338	54,554	14
Consumer Foods	9,452	10,940	9,896	14,149	2	17	12	26	44,438	38,669	15
Retail	73,589	96,372	73,164	70,797	123	188	103	97	313,921	138,337	127
Leisure	11,029	14,570	17,573	23,637	31	38	36	31	66,809	49,851	34
Property	1,379	1,827	2,843	5,719	244	50	(24)	79	11,767	8,546	38
Financial Services	5,531	6,602	7,010	6,332	20	28	14	18	25,475	21,291	20
Other, incl. IT and PS	838	918	1,013	1,334	(42)	(42)	(37)	(11)	4,103	6,129	(33)
Group	114,153	144,755	125,053	144,889	64	88	54	62	528,851	317,378	67

**Excluding associates.*

Group Recurring EBITDA 2025/26	Rs.million				YoY %				Total (Rs.million)		YoY %
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY26	FY25	
Transportation	1,551	1,933	2,037	4,153	(0)	(2)	24	94	9,674	7,318	32
Consumer Foods	1,255	1,705	1,403	3,210	(16)	6	9	40	7,573	6,684	13
Retail	7,322	10,109	7,712	6,597	226	323	167	93	31,740	10,944	190
Leisure	(170)	1,429	4,043	7,185	79	1151	276	64	12,486	4,527	176
Property	149	196	1,575	1,041	321	76	88	86	2,961	1,441	106
Financial Services	1,847	2,242	5,083	2,198	(4)	24	1	3	11,370	10,909	4
Other, incl. IT and PS	1,279	468	872	(377)	(5)	43	(28)	(138)	2,243	3,866	(42)
Group	13,234	18,083	22,725	24,007	72	123	62	51	78,048	45,689	71

ECONOMIC VALUE ADDED STATEMENT

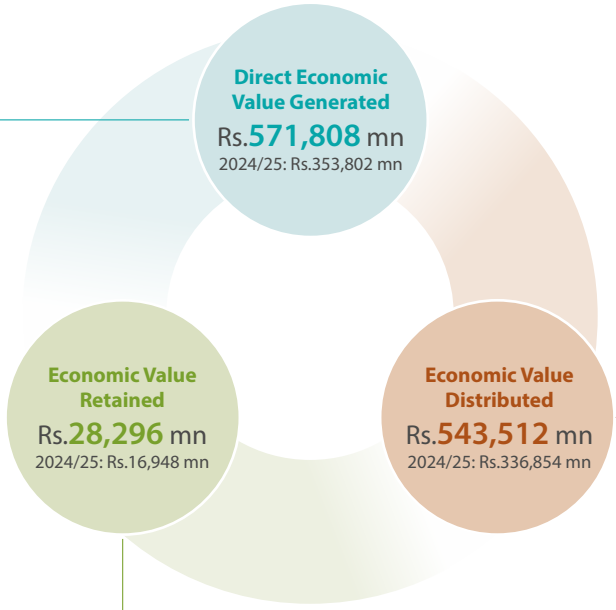
Revenue
Rs.**528,851** mn
2024/25: Rs.317,378 mn

Finance Income*
Rs.**20,729** mn
2024/25: Rs.20,611 mn

Share of Results of Equity Accounted Investees
Rs.**11,981** mn
2024/25: Rs.10,779 mn

Profit on Sale of Assets and Other Income
Rs.**7,947** mn
2024/25: Rs.4,077 mn

Valuation Gain/(Loss) on Investment Property
Rs.**2,300** mn
2024/25: Rs.957 mn



Depreciation
Rs.**13,495** mn
2024/25: Rs.9,024 mn

Amortisation
Rs.**5,840** mn
2024/25: Rs.5,054 mn

Profit After Dividends
Rs.**8,961** mn
2024/25: Rs.2,870 mn

Operating Costs
Rs.**452,105** mn
2024/25: Rs.272,730 mn

Employee Wages and Benefits
Rs.**40,611** mn
2024/25: Rs.33,713 mn

Payments to Providers of Funds
Rs.**34,830** mn
2024/25: Rs.22,497 mn

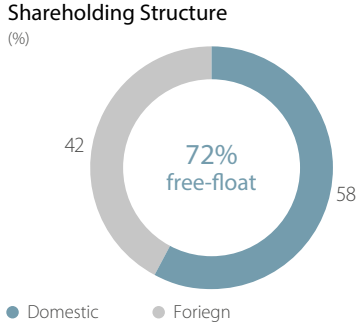
Payments to Government
Rs.**15,511** mn
2024/25: Rs.7,646 mn

Community Investments
Rs.**455** mn
2024/25: Rs.269 mn

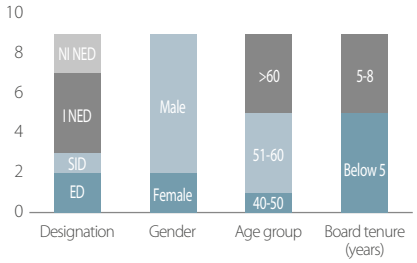
**Includes interest income from life insurance policyholder funds at Union Assurance PLC.*

GOVERNANCE

Shareholding Structure



Current Composition of the JKH Board



ED – Executive Director
SID – Senior Independent Director
I NED – Independent Non-Executive Director
NI NED – Non-Independent Non-Executive Director

Board Appointments in 2025/26

- Mr. M. Menon was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2025.
- Dr. H. Wijayasuriya was redesignated as a Non-Independent, Non-Executive Director with effect from 4 October 2025, following his completion of nine years on the Board, in accordance with Section 9.8.3 (v) of the Listing Rules which stipulates that Directors serving more than nine years on the Board cease to qualify as independent.
- Mr. S. Fernando was appointed as the Senior Independent Director with effect from 4 October 2025.

Awards and Accolades

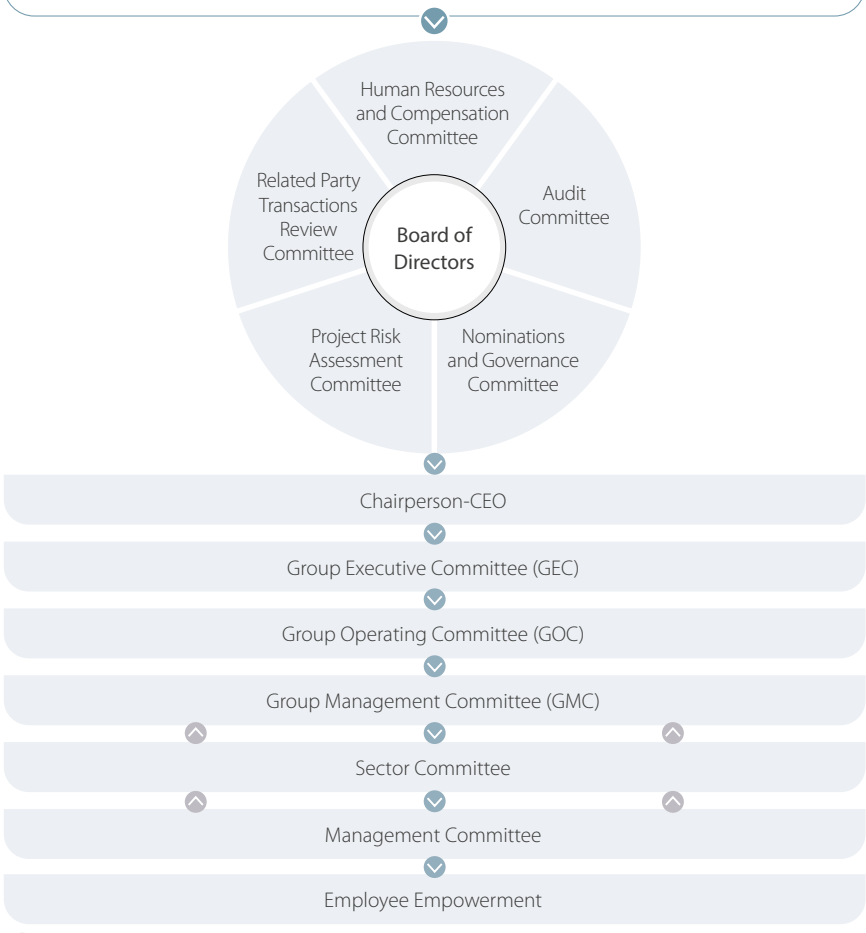
- Bronze award for 'Overall Excellence in Corporate Reporting' at the TAGS Awards 2025 organised by the Institute of Chartered Accountants of Sri Lanka.
- Bronze award for 'Best Investor Relations' at the Capital Market Awards 2025 organised by the CFA Society Sri Lanka.

Key Governance Highlights

- Initiated a structured Group-wide implementation programme to align with SLFRS S1 and S2, including a comprehensive gap analysis, framework enhancements, and capability building across the organisation.
- Established the Environmental, Social and Governance (ESG) and Sustainability Steering Committee to strengthen Board-level oversight and guide sustainability governance, including climate-related risks and opportunities.
- Enhanced enterprise governance and control through the migration to SAP S/4HANA, improving data integrity, visibility, and internal control effectiveness, with system stabilisation achieved during the year.
- Strengthened access governance through a comprehensive review and refinement of user access controls, reinforcing system security and control integrity.
- Advanced cyber and technology governance through expanded Zero Trust security measures, improved threat detection, monitoring, and incident resilience.
- Continued alignment with the Personal Data Protection Act, supported by strengthened governance structures and enhancements to data protection controls, with no significant data-related incidents reported.
- Further strengthened the financial crime compliance framework in collaboration with the Financial Intelligence Unit, enhancing monitoring and controls relating to AML/CFT risks, with no regulatory breaches or penalties recorded.

INTERNAL GOVERNANCE STRUCTURE

Board of Directors and Senior Management Committees



Refer the Corporate Governance Commentary for further details – page 302.

INVESTOR RELATIONS

GROUP HIGHLIGHTS

INTELLECTUAL CAPITAL

Key Highlights

- OCTAVE scaled its analytics capabilities across the Group, with over 60 use cases currently in active production spanning seven industries.
- During the year, OCTAVE deepened the deployment of use cases across key sectors, strengthening customer-centric design in Retail, optimising distribution planning in Consumer Foods, advancing the use case roadmap in Leisure, and enhancing agent activation and collections in the Insurance business.
- OCTAVE continued selective external engagements, providing advanced analytics services to clients outside the Group, reflecting growing recognition of its capabilities.
- John Keells Research (JKR) supported product and process innovation, including the commercialisation of plant based food products in the Convenience Foods business and deployment of sustainable solutions within the Leisure industry group.

Awards and Accolades

- Ranked first as the 'Most Respected Entity' in Sri Lanka for the 20th year at LMD's Most Respected Entities rankings.
- Ranked first in LMD Readers' Choice as 'Sri Lanka's Most Loved Corporate Brand for 2025', for the second consecutive year.

NATURAL CAPITAL

Total water consumed across all business units
2,563,624 m^3

Percentage of treated water out of total water consumption
42%

Percentage of recycled water out of treated water
41%

Total GHG emissions footprint across all business units
186,959 tCO_2e

Total units of energy consumed across all business units
1,129,190 GJ

Total units of renewable energy consumed across all business units
90,539 GJ

Total waste generated across all business units
14,192 MT

Percentage of treated non-hazardous waste recycled
8%

Total plastic waste collected
359 MT

	2025/26	2024/25*	2023/24*
Energy consumption: non-renewable sources (GJ)	1,038,651	912,263	822,791
Energy consumption: non-renewable sources (GJ) per Rs.million of revenue	1.91	2.75	2.93
Energy consumption: renewable sources (GJ)	90,539	122,191	124,455
Energy consumption: renewable sources (GJ) per Rs.million of revenue	0.17	0.37	0.44
Purchased energy: national grid (GJ)	658,094	549,090	473,791
Purchased energy: national grid (GJ) per Rs.million of revenue	1.21	1.66	1.69
Total energy consumption	1,129,189	1,034,454	947,246
Direct greenhouse gas emissions – Scope 1 (tCO_2e)	68,466	59,683	46,391
Indirect greenhouse gas emissions – Scope 2 (tCO_2e)	118,494	98,867	85,309
Total GHG emissions footprint (tCO_2e)	186,959	158,549	131,700
Total GHG emissions footprint (tCO_2e) per Rs.million of revenue	0.34	0.48	0.47
Greenhouse gas emissions from combustion of biomass (tCO_2e)	2,110	3,384	1,443
Water withdrawal (m^3)	2,563,624	2,280,344	2,207,527
Water withdrawal (m^3) per Rs.million of revenue	4.70	6.89	7.87
Water discharge (m^3)	1,642,967	1,113,884	1,098,928
Volume of hazardous waste generated (MT)	502.48	516.27	367.02
Volume of non-hazardous waste generated (MT)	13,689.59	9,894.56	9,224.48
Non-hazardous waste recycled/reused by Group companies and through third party contractors (%)	57	56	57
Significant environmental fines **	-	-	-

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

***Significant fines are defined as fines over Rs.1 million.*

HUMAN CAPITAL

Total staff members of the group
18,558

Average employee attrition rate
25%

Gender ratio (Male: Female)
64:36

Total number of injuries
313

Total training hours
364,973 h

Total investment on training and development
Rs.333 million

	2025/26	2024/25*	2023/24*
Total of employees and non-employee workers**	25,307	24,276*	20,436*
Employees	18,558	17,201*	15,136*
Non-employee workers	6,749	7,075*	5,300
New hires (%)	78	80	68
Employees receiving performance reviews (%)	100	100	100
Average hours of training per employee	34.2	28.8*	25.8*
Employee benefit liability as of 31 March (Rs.million)	4,345	3,463	3,590
Total attrition (%)***	25	27	28
Incidences of child labour (below age 16)	-	-	-
Incidences of forced labour	-	-	-

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

***Of the Group's total employees, 654 are placed in the Maldives, with the remainder domiciled in Sri Lanka.*

**** Includes only Executive and above.*

SOCIAL AND RELATIONSHIP CAPITAL

Total Group CSR spend
Rs.396 million

Spend on local suppliers
56%

People benefited from Community & Livelihoods-related projects
966,490

Businesses analysed for risk of corruption
100% (43 businesses)

Total people impacted
1,682,222

People benefited from Social Health & Cohesion-related projects
703,711

Number of suppliers engaged
129

People benefited from Education-related projects
10,607

People benefited from Biodiversity-related projects
1,414

**Operational business entities where the Group exercises significant management control.*

	2025/26	2024/25	2023/24
Community services and infrastructure projects (Rs.million)	303	230	187
Proportion of spend on purchase from suppliers within Sri Lanka (%)	56	85	86
Community engagement (no. of persons impacted)	1,680,667	1,837,676	1,952,511
Sustainability integration awareness (no. of business partners)	165	130	200
Business partners screened for labour, environment and human rights (no. of business partners)	129	116	83
Proportion of labels carrying ingredients used (%)	86	82	77
Proportion of labels carrying information on disposal (%)	91	96	96
Proportion of labels carrying sourcing of components (%)	3	6	3
Monetary value of significant fines* (Rs.)	-	-	-
Proportion of businesses analysed for risk of corruption (%)	100	100	100

** Significant fines are defined as fines over Rs.1 million.*

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

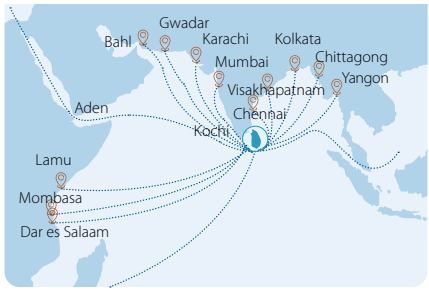
TRANSPORTATION

Industry Potential

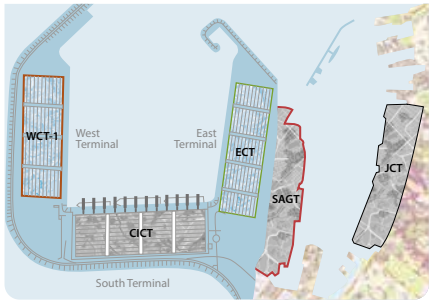
- Ongoing capacity enhancements at the POC and shipping lines opting for 'hub and spoke' services will spearhead the thrust to position Colombo as a leading transshipment hub in the region.
- Envisaged increase in bunkering market share driven by increased storage and infrastructure.
- Growing demand for logistics services through growth in inbound project cargo and other major industries.

Our Business

- Port of Colombo;
  - 42% stake in SAGT (capacity of ~2 million TEUs).
  - 34% stake in CWIT (capacity of ~3.2 million TEUs).
- Leading bunkering services provider – Lanka Marine Services.
- One of the largest cargo and logistics service providers in the country.
- Joint Venture with Deutsche Post for DHL air express, AP Moller for Maersk Lanka and Inchcape Shipping Services for IMMS.
- GSA for KLM Royal Dutch Airlines and Gulf Air.
- Warehousing and supply chain management.
- Domestic scheduled and charter flight operations.



The POC is strategically positioned on the main East-West shipping routes.



Capacity enhancements in the POC - WCT-1 and ECT.

Colombo West International Terminal

- CWIT completed its inaugural year of operations, delivering performance significantly ahead of plan, recording a positive profit after tax, despite recognising depreciation relating to phase 1.
- CWIT handled over one million TEUs for the year, and the terminal has already reached full utilisation of phase 1 capacity based on its latest monthly run-rate.
- Construction of the full terminal is progressing marginally ahead of schedule for completion by end of CY2025.

Key Performance Indicators

		2025/26	2024/25	%	2023/24
SAGT volumes	(TEUs '000)	1,840	2,068	(11)	1,818
Domestic: Transshipment mix		11:89	12:88		10:90
WCT volumes	(TEUs '000)	1,063	N/A	N/A	N/A
Domestic: Transshipment mix		8:92	N/A		N/A
Port of Colombo volumes	(TEUs '000)	8,519	7,719	10	7,339
LMS volumes	(%)	29	15		2*
Warehouse space under management	(Sq. ft. 000)	283	240	18	370

**Excluding local sales YoY volume increase for 2023/24 is 10%.*

Quarterly Performance

2025/26		Q1	Q2	Q3	Q4	Full Year
SAGT volumes	(TEUs '000)	508	523	413	396	1,840
Domestic: Transshipment mix		10:90	10:90	12:88	13:87	11:89
WCT volumes	(TEUs '000)	90	263	361	350	1,063
Domestic: Transshipment mix		7:93	8:92	9:91	9:91	8:92
Port of Colombo volumes	(TEUs '000)	2,036	2,205	2,124	2,154	8,519
LMS volume growth	(%)	13	1	43	60	29

Strategy and Outlook

Immediate to Short Term

Ports, Shipping and Bunkering

- Regional trade volumes are expected to remain resilient, supported by India's continued economic growth.
- Increased port capacity at the POC is expected to drive higher vessel traffic and support bunker fuel demand.
- Disruptions in the Middle East will continue to drive volume to transshipment hubs, such as POC.

Logistics and Transportation

- Focus on new customer acquisition and improving utilisation across logistics facilities.
- Recovery in export volumes expected to drive throughput growth.
- Higher airline frequencies to support passenger traffic growth.

Medium to Long Term

Ports, Shipping and Bunkering

- WCT-1 to enhance POC competitiveness through improved capacity, efficiency, and ability to handle larger vessels.
- Growth in regional and global trade expected to support sustained volume expansion at the POC.
- Indian economic growth to remain a key long term driver of volumes.
- Opportunities to be pursued across POC, Hambantota, and Trincomalee, particularly in bunkering and storage.

Logistics and Transportation

- Opportunities to be explored from growth in regional and domestic trade flows.
- Increased tourist arrivals and sector investments expected to support growth in the Airline segment.

Key Risks

Ports, Shipping and Bunkering

- Exposure to geopolitical developments, trade disruptions and shifts in global shipping routes affecting transshipment volumes.
- Earnings volatility arising from fluctuations in commodity prices, freight rates and foreign exchange movements.
- Operational risks linked to port congestion, infrastructure constraints and weather-related disruptions.

Logistics and Transportation

- Dependence on third-party infrastructure and transport networks, increasing exposure to service disruptions and capacity constraints.
- Airline operations remain exposed to aircraft availability and infrastructure constraints.

CONSUMER FOODS

Industry Potential

- Per capita consumption of carbonated soft drinks at 12 litres, is below peer markets.
- Per capita consumption of ice creams at ~4 litres, is far below developed markets.
- Multi-serve to single-serve ice cream mix in regional markets is highly skewed towards the single-serve segment, demonstrating significant potential within the single-serve category.
- Emerging 'health conscious' consumers and growing need for convenient and affordable main meal options.
- New niche segments for unique flavours.
- Volume growth supported by product innovation, affordable value offerings and recovery in consumption.

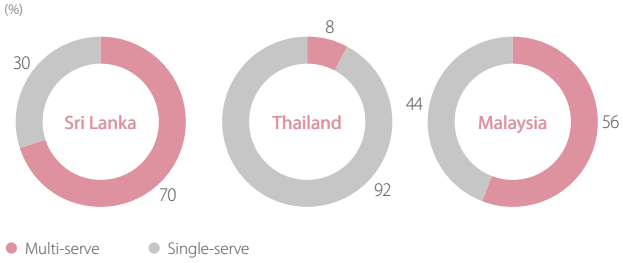
Our Business

- Strong market presence in beverages, confectionery and processed meats through Elephant House and Keells-Krest brands.
- A portfolio of carbonated soft drink (CSD) and non-CSD Beverages catering to a wide array of customers and island-wide distribution network.
- Confectionery products including the premium ice cream range Imorich and the Feelgood guilt-free frozen yoghurt range for customers seeking wellness and balanced lifestyles.

Launch of Extruded Products

- The business commissioned an extrusion line to enhance its single-serve ice cream offering and strengthen its competitive position.
- Operations commenced in January 2026 with the launch of seven extruded ice cream products, marking the first time such products were manufactured locally.

Multi-serve:Single-serve Mix of Regional Markets



Key Performance Indicators

%	2025/26	2024/25	2023/24
Volume Growth			
Beverages (CSD)	13	16	10
Confectionery*	8	22	4
Multi-serve:Single-serve mix	65:35	64:36	63:37
Convenience Foods	22	25	(9)
EBITDA Margins			
Beverages and Confectionery	18.2	18.7	17.1
Convenience Foods	10.3	8.8	2.7
PBT Margins			
Beverages and Confectionery	13.4	14.3	11.4
Convenience Foods	5.5	3.0	(6.3)

**Including freezer pop.*

100,000+
Outlet reach

47:53 [2024/25: 45:55]
Revenue mix:
Beverages: Confectionery

66
Ice Cream flavours

21
CSD flavours

Insight into Quarterly Performance

Volume Growth 2025/26 (%)	Q1	Q2	Q3	Q4	Full Year
Beverages (CSD)	(10)	12	17	30	13
Confectionery	3	14	2	12	8
Convenience Foods	27	23	18	22	22

- Volume growth was driven by increased consumer activity, favourable weather conditions, and stronger seasonal demand.
- Confectionery volumes were led by multi-serve products, with additional contribution from higher margin single-serve offerings.
- Beverages margins improved, supported by operating leverage from higher volumes and better fixed cost absorption.
- Confectionery margins declined marginally despite volume growth, reflecting higher raw material costs.
- Demand for Convenience Foods increased in line with stronger consumer activity and a shift towards discretionary spending.

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

Strategy and Outlook

Immediate to Short Term

- Volumes expected to track the pace of macroeconomic recovery, supported by relatively low market penetration.
- Margin protection through operating leverage, selective pricing actions, cost discipline, and energy efficiency initiatives, although higher electricity tariffs may exert pressure on margins.
- Continued portfolio refresh through targeted innovation, premiumisation, and new product launches.

Medium to Long Term

- Structural growth potential underpinned by low industry penetration relative to regional and global peers.
- Ongoing digitisation, leveraging advanced analytics to enhance productivity, optimise costs, and identify new growth opportunities.
- Evolving consumer preferences to support development of niche and personalised offerings.
- Strengthening operational resilience through investments in manufacturing efficiency, cold chain infrastructure, and responsible sourcing.

Key Risks

- Volatility in key raw material prices and supply disruptions.
- Regulatory changes around food safety, packaging and sustainability requirements.
- Climate-related risks affecting manufacturing, cold chain and distribution.

RETAIL

Industry Potential

Supermarket Business

- Modern trade penetration remains low (~17%), indicating strong headroom for growth.
- Growth supported by convenience, wider assortment, and competitive pricing.
- Underpinned by rising incomes, urbanisation, and changing consumption patterns.
- Increasing shift towards omnichannel retail.

New Energy Vehicles

- Shift in consumer preference towards energy-efficient vehicles continues to support EV adoption.
- Global market penetration of EVs is expected to continue to increase.

Office Automation Business

- Increasing smartphone penetration continues to support digital adoption.
- Greater usage of smart devices is accelerating the shift towards digital platforms.

Our Business

Supermarket Business

- 147 modern trade outlets uniquely branded to cater to evolving consumer lifestyles.
- The state-of-the-art distribution centre (DC) centralising offerings across the dry, fresh, and chilled categories with a capacity for ~250 outlets.
- Private label consisting of over 350 SKUs.
- Nexus, a loyalty programme with ~2.8 million active members.

New Energy Vehicles

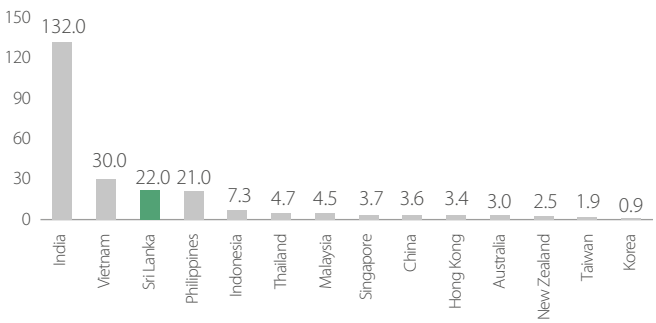
- John Keells CG Auto (JKCG), a 50% owned joint venture of JKH, partnered with BYD Company Limited, the world's leading manufacturer of New Energy Vehicles (NEVs) - including its premium DENZA brand.

Office Automation Business

- John Keells Office Automation (JKOA) is a market leader in corporate print solutions, representing globally recognised IT and office automation brands including Samsung, Toshiba, and ASUS.

Modern Trade Density

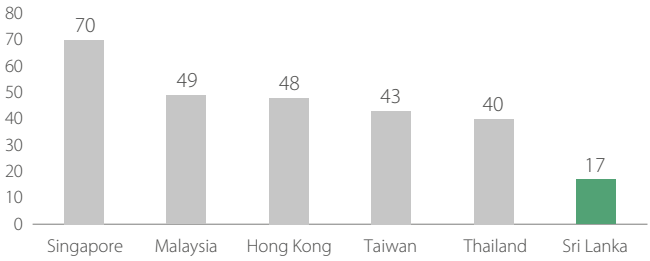
Population ('000) per store



Source: Retail and shopper trends in the Asia Pacific, AC Nielsen.

Modern Retail Penetration

(%)



Sources: Central Bank of Sri Lanka, Nomura Research Institute, Unilever Corp, Web articles.

Key Performance Indicators

Supermarkets (%)	2025/26	2024/25	2023/24
Net same store sales growth	14.0	11.1	10.0
Same store footfall growth	14.3	14.5	12.3
Average basket value (ABV) growth	(0.8)	(0.3)	(0.1)
EBITDA margin	8.3	7.9	6.9
PBT margin	4.2	3.4	1.5

2025/26 (%)	Q1	Q2	Q3	Q4	Full Year
Net same store sales growth	13.9	13.8	14.3*	14.2	14.0
Same store footfall growth	16.6	19.3	13.2*	8.6	14.3
ABV growth	(3.1)	(5.2)	0.6	4.7	(0.8)

**Impact of 13 flood affected outlets have been excluded.*

- Shift from general trade to modern trade continued, driven by wider product choice, competitive pricing, economies of scale and the Keells Nexus loyalty programme, boosting footfall.
- Fresh category initiatives improved pricing, prepared food quality, and availability, attracting new customers, increasing visit frequency, and supporting margins.
- ABV declined in H1 due to slight drops in WOP and RSP; higher footfall and shopping frequency led to lower spend per visit but higher overall customer spend. ABV rebounded in H2, with Q3 turning positive for the first time since last year's Q4, driven mainly by higher WOP and modest retail price increases.

New Energy Vehicles 2025/26	Q1	Q2	Q3	Q4	Full Year
Number of NEVs sold	2,307	3,705	1,936	2,133	10,081
EBITDA (Rs.million)	4,584	7,463	4,126	2,123	18,296

Office Automation (%)	2025/26	2024/25	2023/24
EBITDA margin	8.0	9.7	10.0
PBT margin	6.0	8.3	11.1*

**Impacted by exchange gains due to the appreciation of the Rupee.*

Launch of the Nexus App

- Launched the Keells Nexus App, a unified platform integrating loyalty, personalised promotions, and customer engagement.
- Strong early adoption, exceeding 200,000 downloads within one and a half months.

Strategy and Outlook

Immediate to Short Term

Supermarket Business

- Sustain volumes through competitive pricing, private label expansion, and targeted promotions.
- Drive efficiency via network optimisation, distribution centre scale-up, and omnichannel capabilities.
- Leverage advanced analytics to optimise pricing, promotions, and store performance.
- Accelerate outlet expansion in line with positive industry outlook.

New Energy Vehicles Business

- Adoption expected to gain traction, supported by rising demand for energy-efficient mobility.
- Expand product portfolio and strengthen sales and service networks.
- Charging infrastructure growth to support demand expansion.
- Leverage brand partnerships and fuel cost differentials to drive EV adoption.

Office Automation Business

- Competitive intensity expected to remain high in entry-level segments.
- Focus on cost discipline and selective product positioning.

Medium to Long Term

Supermarket Business

- Capitalise on low modern trade penetration through expansion in urban and suburban markets.
- Enhance customer experience through improvements in freshness, quality, and service.
- Leverage data-driven personalisation to strengthen engagement and efficiency.

New Energy Vehicles Business

- Positioned for long term growth, supported by global shift towards low-emission mobility.
- Expand ecosystem through investments in product range and supporting infrastructure.

Office Automation Business

- Grow market share by leveraging global brands and distribution reach.
- Align product portfolio with rising demand for smart devices and digital lifestyles.

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

Key Risks

Supermarkets

- Rising energy, logistics and compliance costs associated with network expansion and higher store utilisation.
- Operational risks from extreme weather events impacting agricultural supply chains and fresh produce availability.

New Energy Vehicles

- Exposure to foreign exchange volatility given US Dollar denominated pricing and import dependent cost structures.
- Regulatory and customs related uncertainty affecting shipment clearance timelines, inventory flexibility and working capital.
- Demand sensitivity to financing conditions and competitive pressure in entry level and mid segment NEVs.

Office Automation

- Intense competition in value and entry level segments exerting pressure on margins.
- Demand cyclicality linked to corporate capex and broader economic conditions.
- Cybersecurity, technology obsolescence and vendor dependency risks within an increasingly digital operating environment.

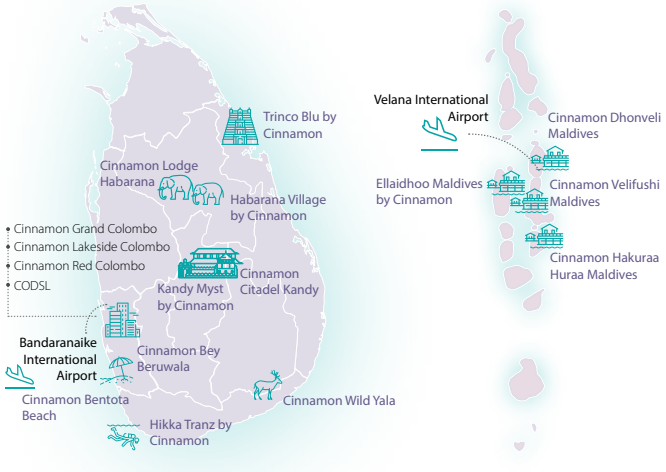
LEISURE

Industry Potential

- Sri Lanka's positioning as a regional leisure destination is strengthening, supported by its natural diversity and cultural heritage.
- Proximity to India and improved air connectivity continue to support inbound travel.
- Infrastructure-led development is driving growth in MICE and corporate tourism.

Our Business

- Cinnamon, a well-established hospitality brand in Sri Lanka and the Maldives.
- 3 Colombo Hotels, 9 Sri Lankan Resorts and 4 Maldivian Resorts.
- City of Dreams Sri Lanka, a 800 room integrated resort with a luxury standard casino.
- Combined room inventory of 3,577 rooms under management in both Sri Lanka and the Maldives.
- Land bank of ~121 acres of freehold and ~145 acres of leasehold land in key tourism locations.
- Leading destination management operator.



Divestment of Kandy Walk Inn Limited (KWIL)

- In March 2026, John Keells Hotels PLC divested its entire equity stake of 98.39% in KWIL, the owning company of Cinnamon Citadel Kandy, for a total consideration of Rs.2.78 billion, recording a disposal gain of Rs.1.52 billion at a consolidated level.
- The hotel will continue to be managed under the Cinnamon brand, shifting the Group towards a more asset-light model.
- This divestment followed the recent commencement of operations of Kandy Myst by Cinnamon, where the Group has a minority equity stake and a long term management contract under the Cinnamon brand.

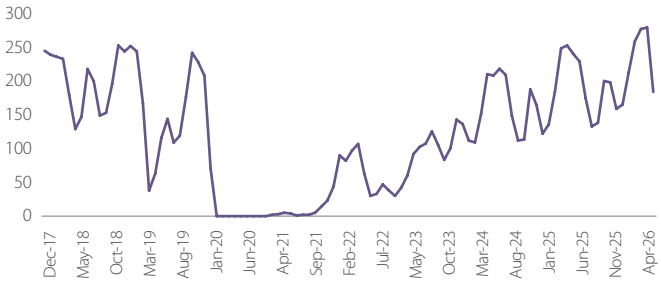
Key Performance Indicators

		2025/26	2024/25	2023/24
CODSL*				
ARR	(USD)	117	N/A	N/A
Occupancy	(%)	40	N/A	N/A
EBITDA margin	(%)	12.1	N/A	N/A
Colombo Hotels**				
ARR	(USD)	74	81	78
Occupancy	(%)	71	62	60
EBITDA margin	(%)	13.8	11.3	11.8
Sri Lankan Resorts***				
ARR	(USD)	106	97	79
Occupancy	(%)	70	65	68
EBITDA margin	(%)	24.9	20.4	14.7
Maldivian Resorts				
ARR****	(USD)	276	271	275
Occupancy	(%)	90	84	86
EBITDA margin	(%)	29.4	28.8	30.5

**Includes the 800 rooms at CODSL.*
***Excludes occupancy and ARRs at Cinnamon Red Colombo.*
****Excludes occupancy and ARRs at Kandy Myst by Cinnamon.*
*****Net of green tax and allocation (F&B charge).*

Tourist Arrivals to Sri Lanka

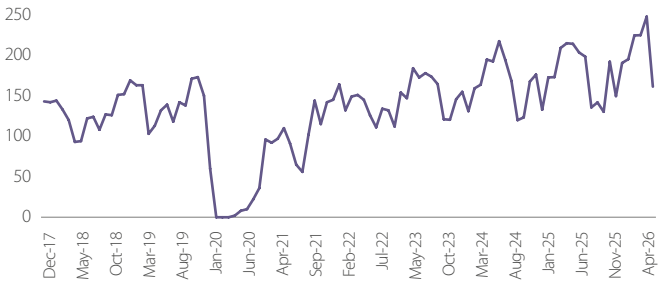
Arrivals ('000)



Source: Sri Lanka Tourism Development Authority.

Tourist Arrivals to the Maldives

Arrivals ('000)



Source: Ministry of Tourism Maldives.

Quarterly Performance

2025/26		Q1	Q2	Q3	Q4
CODSL – Hotel					
Occupancy	(%)	24*	35*	45	61
ARR	(USD)	99*	106*	116	118
EBITDA margin	(%)	(55.6)*	3.1*	10.5	18.3
Colombo Hotels**					
Occupancy	(%)	60	73	78	73
ARR	(USD)	71	72	73	80
EBITDA margin	(%)	3.9	12.8	15.4	22.0
Sri Lankan Resorts***					
Occupancy	(%)	62	71	72	75
ARR	(USD)	81	90	105	141
EBITDA margin	(%)	3.3	15.2	35.4	36.6
Maldivian Resorts					
Occupancy	(%)	85	94	93	87
ARR****	(USD)	231	201	288	390
EBITDA margin	(%)	21.6	17.2	32.3	39.9

**Includes the 800 rooms at CODSL.*
***Excludes occupancy and ARRs at Cinnamon Red Colombo.*
****Excludes occupancy and ARRs at Kandy Myst by Cinnamon.*
*****Net of green tax and allocation (F&B charge).*

Performance of CODSL

- During the year, CODSL completed the opening of the remaining components of the integrated resort; the casino, the Nuwa hotel and the shopping mall branded 'The Shoppes'.
- Following the completion and launch of the remaining components of the integrated resort, CODSL recorded a positive EBITDA for the full year, reflecting the gradual ramp-up in operations.
- Cinnamon Life's conference and event spaces have begun to attract interest from both local and international organisers. The casino continues to demonstrate an encouraging improvement in performance.
- Casino operations continued to scale up, with a stronger pickup from Q4; fixed rental income recognised during the year, with variable income expected to commence as activity levels increase.
- Growing casino footfall is expected to be a key driver of higher hotel occupancy going forward.

Conflict in the Middle East

- Tourist arrivals maintained momentum in the first two months of 2026 before moderating from March due to Middle East-related disruptions, including flight re-routing, cancellations and higher travel costs.
- Arrivals declined year-on year in April, reflecting the external constraints.
- Despite near term volatility, underlying demand remains supported by strong regional tourism fundamentals.
- Sri Lanka remains well-positioned to benefit from growth in short to medium haul travel over the medium term.

Strategy and Outlook

Immediate to Short Term

- Benefit from continued recovery in tourist arrivals to Sri Lanka and the Maldives, supported by improved connectivity and demand from India.
- Drive occupancy-led earnings across Colombo hotels and the resorts, while actively managing pricing amid new supply.
- Ramp up integrated resort performance at CODSL as hotel, retail, casino, and MICE offerings scale.
- Maintain disciplined yield management to optimise returns.

Medium to Long Term

- Tourism outlook remains favourable, supported by Sri Lanka's diverse offering and regional demand potential.
- CODSL expected to be a key catalyst, supported by Melco partnership, including branding, marketing, and operational synergies.
- Continue to pursue an asset-light strategy to optimise capital efficiency and expand the Cinnamon footprint.

Key Risks

- Sensitivity to global travel demand and geopolitical disruptions.
- Increased competition from new room supply and destination substitutes in the region.
- Climate, energy and water-related risks impacting hotel/resort and destination operations.

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

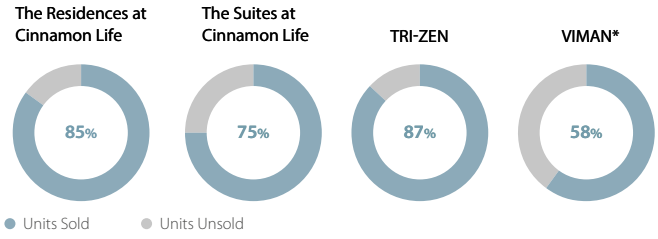
PROPERTY

Industry Potential

- Urbanisation remains low (~17%), indicating significant long term demand potential.
- Emerging suburban multi-family housing segment creating new growth opportunities.
- Rising demand for mid-market housing within city limits.
- Port City Colombo expected to enhance positioning as a regional financial hub.
- Increasing demand for commercial office space.
- Growing interest in short term rentals and hospitality-linked real estate.

Our Business

- Portfolio spans Luxe, Metropolitan, and Suburban residential segments, alongside leisure-linked developments.
- Key projects include Vauxhall DSTRCT (central Colombo) and VIMAN.
- Leasing of office space at Cinnamon Life.
- Owns and operates Crescat Boulevard and manages K-Zone Moratuwa.
- Land bank comprising ~24 acres in central Colombo, ~18 acres of developable freehold land near the city, and over 365 acres of scenic leased land, including an 18-hole golf course and developable land.



**All four phases*

Mall Occupancy (%)	2025/26	2024/25	2023/24
K-Zone Moratuwa	100	100	100
Crescat Boulevard	79	76	85

Cumulative Sales (SPAs) Signed/ No. of Units	2025/26	2024/25	2023/24
Cinnamon Life			
The Residences	196	167	147
The Suites	147	127	109
Offices	5	5	4
TRI-ZEN	779	737	700
VIMAN	243	164	100

Key Highlights

Vauxhall DSTRCT

- A 749-unit high-rise residential development in Colombo 02, positioned to meet growing demand for integrated urban living.
- High-density, mixed-use offering, incorporating residential, retail, and lifestyle components.
- Strong launch momentum, reflecting sustained demand for well-located developments.
- Phased execution with construction to commence upon achieving pre-sales thresholds.

VIMAN

- Continued strong sales momentum, attracting first-time buyers and investors, with demand driven by surrounding urban areas.
- Final phase (152 units) launched in November 2025, with cumulative sales reaching 243 units across all phases.
- Construction progressing as planned, with phased completions and handovers expected to support revenue ramp-up.

Strategy and Outlook

Immediate to Short Term

- Drive absorption across metropolitan and suburban residential segments, supported by improved macro stability and affordability.
- Explore new investment opportunities in emerging suburban locations.
- Benefit from strengthening rental fundamentals, supported by demand from BPO firms, higher occupancy and expatriate inflows.

Medium to Long Term

- Housing demand expected to remain supported by middle-class expansion, increased commercial activity, and rising income levels.
- Structural shift towards vertical and mid-income housing driven by land and construction cost dynamics.
- Infrastructure-led connectivity improvements to support suburban demand growth.
- Monetise land bank through phased, market-linked development of a robust project pipeline.

Key Risks

- Macroeconomic, regulatory and financing volatility affecting affordability, investor sentiment and project returns.
- Construction cost inflation and supply chain disruptions linked to global commodity and geopolitical risks.
- Climate-related physical risks impacting construction timelines and asset performance.

FINANCIAL SERVICES

Industry Potential

Life Insurance Industry

- Low penetration and rising financial awareness creating demand for health, retirement and financial protection insurance solutions.
- Increasing global and domestic focus on environmental, social and governance (ESG) presents opportunities for innovation in sustainable insurance products and impact investing.

Banking Industry

- Advances in technology around the integration of Artificial Intelligence (AI), Robotic Process Automation (RPA) and data analytics in operational, customer servicing and administrative tasks in the long term.
- Expanding digital adoption and cashless payments enhance customer reach and operational efficiency.
- Increasing domestic and foreign investor participation.

Our Business

Life Insurance

- Operating footprint of 95 branches, excluding virtual locations.
- Agency force of over 2,698.
- Market share of ~11%.
- Operates one of the largest bancassurance networks in the country.
- Among the highest policy value growth rates in the industry.

Banking

- Branch network of 90 outlets, 55 ATMs and 102 CRMs.
- Strong online presence.
- Sri Lanka's first digital bank, FriMi.
- Sole acquirer of the flagship centurion product range of American Express cards in Sri Lanka.

Key Performance Indicators

		CY2025	CY2024	CY2023
Life Insurance				
Premium growth	(%)	19	15	13
Market share	(%)	11	12	12
Life fund	(Rs.billion)	92.81	77.51	64.13
Capital adequacy ratio	(%)	215	264	291
Banking				
Growth in loans and advances	(%)	50	6	(5)
Return on equity	(%)	22	24	21
Net interest margin	(%)	6.1	6.9	7.7
Stage 3 loan ratio	(%)	0.9	1.6	2.3
Capital adequacy ratio – total capital	(%)	20.7	22.7	19.7

Acquisition of Retail Banking Franchise of HSBC, Sri Lanka

- Entered into an agreement in September 2025 to acquire HSBC Sri Lanka's Retail Banking franchise for Rs.18.00 billion plus applicable taxes.
- Acquisition completed on 1 May 2026, with operations commencing immediately thereafter.
- Transaction included branches, premium banking, cards portfolio, deposits, retail loans and over 200,000 customer accounts.
- Asset and liability transfer broadly aligned with plan, enabling value optimisation.
- Strengthens the Bank's position in the retail segment and marks a key milestone in its growth trajectory.

Strategy and Outlook

Immediate to Short Term

Life Insurance

- Transition to a value-focused model under SLFRS 17, emphasising profitability and earnings quality.
- Expand healthcare partnerships and urban market presence.
- Accelerate digital transformation through automation and AI.

Banking

- Sustain profitability through disciplined funding, asset quality, and capital allocation.
- Embed ESG considerations across operations and growth.
- Drive segment-led growth in consumer banking.
- Strengthen digital capabilities to enhance customer engagement and efficiency.

Medium to Long Term

Life Insurance

- Improve underwriting and claims outcomes through enhanced digital capabilities.
- Optimise the multi-channel distribution model across agency, bancassurance and digital platforms.
- Drive product and partnership-led growth through modular insurance solutions.
- Deepen collaboration with healthcare providers and financial institutions.

Banking

- Drive digital and data-led transformation to enable seamless customer journeys.
- Strengthen underwriting and claims outcomes through enhanced digital capabilities.
- Drive scalable growth through multi-channel distribution and product innovation.
- Deepen healthcare and financial partnerships to support growth initiatives.

Key Risks

- Financial exposure and interest rate volatility.
- Rising claims, efficiency and digital adoption.
- Digitalisation, client-centricity and selective expansion.

INVESTOR RELATIONS

INDUSTRY GROUP HIGHLIGHTS

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Industry Potential

Information Technology

- Rising demand for AI, IoT, blockchain, cloud, and hybrid architectures.
- Growth in managed services, outsourcing, and BPM.
- Increasing enterprise and public sector digital adoption.
- Strong momentum in data analytics, AI platforms and cybersecurity services.

Plantation Services

- Adoption of AI in grading and auctioning processes.
- Growing demand for functional and wellness teas.
- Premiumisation and experiential marketing opportunities.

Our Business

Information Technology

- Offers IoT, RPA, and digital transformation solutions, with a growing BPM portfolio.
- Market presence in Sri Lanka and UAE, with expansion into India, Saudi Arabia, and Southeast Asia.
- Strong partnerships with SAP, Microsoft, Salesforce, and Cisco.

Plantation Services

- Leading tea and rubber broker with modern warehousing capabilities.

Strategy and Outlook

Immediate to Short Term

Information Technology

- Leverage partnerships to scale cloud, SaaS, and automation solutions.
- Rising digital adoption to support near term growth.

Plantation Services

- Sustained demand from health-focused segments, particularly in the Middle East.
- Emerging demand from China.
- Exposure to geopolitical risks, currency volatility, and freight costs.

Medium to Long Term

Information Technology

- Expand cloud, SaaS, automation, analytics, cyber resilience, and generative AI capabilities.
- Leverage global partnerships to drive regional expansion.
- Focus on high-value consulting across integrated digital value stacks.
- Low BPM penetration and growing nearshore/offshore demand to support scaling.

Plantation Services

- Drive market share growth through a dedicated business development function, stronger producer engagement and new factory relationships.
- Deepen customer relationships and volumes through targeted engagement, tea evaluation services and regular factory interactions.
- Leverage AI-enabled tea grading and analytics-driven decision-making to improve operational effectiveness.

Key Risks

Information Technology

- Commoditisation of services.
- Disruptive innovation.
- Changes in regulatory environment.
- Exchange rate volatility.

Plantation Services

- Shift in discretionary spending.
- Potential increase in tariffs stemming from geopolitical tensions.
- Supply chain disruptions.
- Exchange rate volatility.

UNDERSTANDING THE NUMBERS

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP CONSOLIDATED REVIEW

40 Operating Environment • **48** Our Business Model • **51** Financial and Manufactured Capital Review • **65** Natural Capital Review
95 Human Capital Review • **113** Social and Relationship Capital Review • **129** Intellectual Capital Review • **137** Group Outlook and Risks
152 Group Strategy, Resource Allocation and Portfolio Management • **157** Share Information

This Report is prepared in accordance with the Integrated Reporting Framework of the IFRS Foundation with an aim of providing our stakeholders an insightful view of the Group's operations. The Group Consolidated Review of the Management Discussion and Analysis (MD&A) segment consists of the following sections.

⊕ **Operating Environment** – *Page 40*

Entails a discussion of key economic, political and regulatory, social, environmental and technological variables, which favourably or unfavourably, impacted the Group's ability to create value.

⊕ **Our Business Model** – *Page 48*

Illustrates the value creation process of the Group, encapsulating the interrelation among the inputs, frameworks, and processes, which collectively drive value creation.

Reviews of each Form of Capital *(Financial and Manufactured Capital – Page 51, Natural Capital – Page 65, Human Capital – Page 95, Social and Relationship Capital – Page 113 and Intellectual Capital – Page 129)*

Discusses the forms of Capital available for deployment and how such Capital transformed value to stakeholders, at a Group level. It also reviews the performance of each form of Capital and the value enhancement/deterioration during the year under review. The Capital Reviews are presented within the context of Global Reporting Initiative (GRI) Standards and the SLFRS Sustainability Disclosure Standards S1 and S2, where relevant. The discussion on each form of Capital comprises of two parts, as applicable:

- Material topics and Group's approach to managing the material topics
- An analysis of value creation/deterioration during the year under review and performance of material topics, reflected through relevant metrics and disclosures.

⊕ **Group Outlook and Risks** – *Page 137*

Entails a discussion of the Group's approach to navigating through the socio-economic and socio-political landscape, as well as the way forward for the Group. The discussion comprises of three parts:

- Macroeconomic Outlook, from both a global and local perspective and the implications on the Group
- Group Outlook, which discusses the key focus areas of the Group going forward
- Key Risks to the outlook based on the risks identified as a part of the Group's Enterprise Risk Management framework and its approach to managing such risks optimally

⊕ **Group Strategy, Resource Allocation and Portfolio Management** – *Page 152*

Analyses the performance of the overall portfolio, the overall strategy and means by which each form of Capital is allocated for investments. The performance of the Group is also measured against the long term strategic financial objectives of the Group.

⊕ **Share Information** – *Page 157*

Entails a high-level discussion on the performance of financial markets, both globally and locally, followed by a detailed discussion of the JKH share performance. Mandatory disclosures pertaining to the Company's shareholders are also included in this section.

OPERATING ENVIRONMENT

This section covers the Group's external operating landscape from an economic, political and regulatory, environmental and social, and technological standpoint, and the resultant impacts on the Group during the year.

Key Takeaways

(i) Global growth remained resilient in CY2025, supported by technology-led investment, while inflation moderated.

(ii) Sri Lanka sustained a real Gross Domestic Product (GDP) growth of 5.0% for the second consecutive year, underpinned by macro stabilisation and policy reforms, with fiscal upside due to the relaxation of vehicle import restrictions.

(iii) Accommodative domestic monetary conditions and improving confidence supported a broad-based recovery in demand, benefiting consumer-facing and interest-sensitive businesses.

(iv) External buffers strengthened (including higher reserves) but renewed geopolitical tensions in late February 2026 increased downside risks in Sri Lanka in relation to energy, freight, tourism and remittances, in particular, pointing to a more volatile and higher-cost operating environment into CY2026.

(v) Climate-related disruptions and sustainability reporting requirements continued to elevate resilience, preparedness and data maturity as strategic priorities.

GLOBAL ENVIRONMENT

Global economic growth saw a modest uptick to 3.4% in CY2025, compared to 3.3% in CY2024, demonstrating resilience despite tariff barriers and elevated policy uncertainty. This momentum was sustained by strong technology-related investment, including in artificial intelligence (AI) and supported by the commencement of accommodative monetary policy conditions. Given the stable demand conditions and reasonable supply conditions, global inflation moderated to 4.1% in CY2025 compared to 4.2% in CY2024.

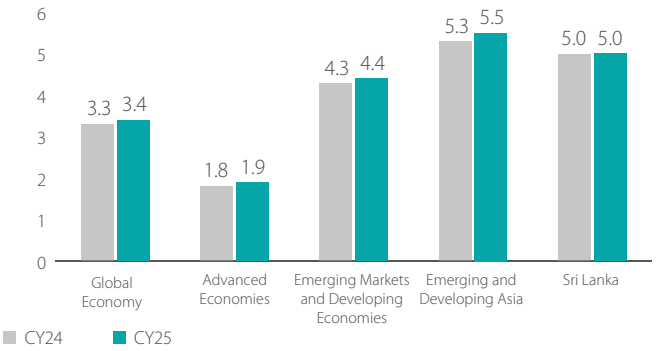
Among advanced economies, growth continued to be led by the United States (US), albeit at a slower pace than in CY2024, as technology investment remained supportive while higher trade barriers, policy uncertainty and moderating labour market momentum weighed on growth compared to the previous year. In Asia, India and China continued to anchor growth - India remained among the fastest growing large economies on the back of robust domestic consumption and services activity, while China's growth remained more export-led amid subdued domestic demand.

The escalation of conflict in the Middle East in late February 2026 disrupted the global outlook for CY2026 with significant energy price volatility, interruptions in trade and shipping and weakening business and consumer confidence creating uncertainty in the outlook. These shocks are expected to cascade to emerging markets primarily through impacts on fuel, freight and tourism. Accordingly, global growth is expected to moderate to an estimated 3.1% in CY2026, while global headline inflation is projected to rise to 4.4%, signalling a more volatile and higher cost operating environment.

Refer Group Outlook and Risks section for further details on global economic outlook – page 137.

CY24 vs CY25 Economic Growth

(%)



Source: World Economic Outlook April 2026, International Monetary Fund/Annual Economic Review 2025, Central Bank of Sri Lanka.

LOCAL OPERATING ENVIRONMENT

Building on the recovery momentum achieved in CY2024, Sri Lanka sustained its growth trajectory in CY2025, recording real GDP growth of 5.0% for the second consecutive year, despite heightened global trade and geopolitical uncertainty and the adverse economic impacts due to Cyclone Ditwah.

The year reflected a phase of consolidation underpinned by sustained macroeconomic stabilisation and the continued implementation of policy and structural reforms. Fiscal outcomes were supported by expenditure rationalisation and revenue measures and were also significantly boosted by import related tax revenues of Rs.905 billion following the relaxation of vehicle import restrictions in February 2025. While this windfall strengthened near term fiscal metrics, it is not expected to recur at the same scale, underscoring the importance of continued reform momentum to sustain the recovery.

Inflation in CY2025 transitioned from the deflationary conditions observed in late-CY2024 and early-CY2025 towards a more normalised level. After witnessing deflation for 11 consecutive months and reaching a low of negative 4.2% in February 2025, headline inflation turned positive in August 2025 and stabilised at around 2% thereafter. The shift was driven mainly by supply side factors, including upward adjustments in energy-related prices and higher food inflation, alongside the continued recovery in demand. Inflation, however, remained well anchored and below the Central Bank of Sri Lanka's (CBSL) target range.

Monetary conditions remained supportive in CY2025 as CBSL maintained an accommodative stance amid inflation well below its target. A 25 basis point reduction in the Overnight Policy Rate (OPR) to 7.75% in May 2025 helped maintain broader interest rates below 10% during CY2025. Although short term rates and Government security yields rose temporarily towards end-CY2025 and into early-CY2026, amid some uncertainty in relation to the Government's funding requirements post Cyclone Ditwah, borrowing conditions remained stable, supported by improved sovereign risk perception following the late-CY2024 credit rating improvement and adequate fiscal buffers and clarity on the funding plan for reconstruction of infrastructure due to the cyclone. Private sector credit expanded to Rs.2,056 billion

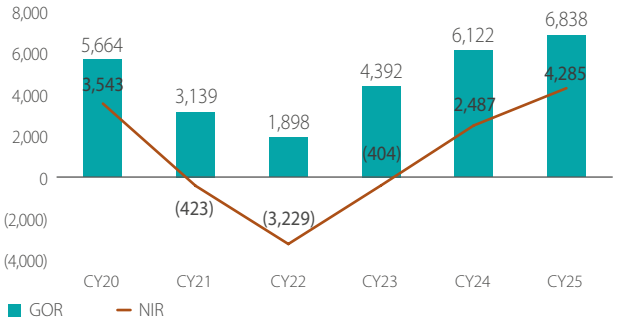
OPERATING ENVIRONMENT

in CY2025 (CY2024: Rs.790 billion), reflecting strong confidence and credit demand, including import and consumption related financing. The pace of expansion is expected to normalise as vehicle imports moderate and interest rates and liquidity conditions adjust.

The current account recorded a surplus for the third consecutive year in CY2025, supported by strong worker remittances and improved services exports, including tourism, which helped cushion the widening merchandise trade deficit driven primarily due to vehicle imports. Tourist arrivals rose to 2.36 million, surpassing the peak recorded in 2018, although tourism earnings are yet to return to pre-2018 levels, reflecting differences in visitor mix, spend and pricing dynamics. Resilient foreign exchange inflows supported a further buildup of external buffers despite ongoing external debt service payments, with gross official reserves increasing to USD 6.83 billion as at the end of CY2025.

Gross Official Reserves (GOR) and Net International Reserves (NIR)

(USD million)



Source: Central Bank of Sri Lanka

Sri Lanka continued its engagement under the International Monetary Fund's (IMF) Extended Fund Facility (EFF) programme during CY2025, reinforcing policy discipline and supporting macro stabilisation. Two tranches were disbursed during the year, bringing cumulative receipts under the programme to USD 1.74 billion, while the country also accessed USD 206 million through the Rapid Financing Instrument in response to Cyclone Ditwah. Sri Lanka made substantial progress in external debt restructuring, including conclusion of restructuring of the only remaining State-Owned-Enterprise (SOE) related debt restructuring, and resumed external debt servicing during CY2025 after a suspension since CY2022.

Sri Lanka's post-crisis recovery continued under more normalised conditions in CY2025. Inflation normalisation, supportive financial conditions, external sector resilience and fiscal consolidation under the IMF-supported reform framework significantly improved operating predictability for businesses. Despite external shocks and adverse weather events, these developments demonstrated the economy's capacity to absorb pressures and provided a firmer platform for medium term growth, while keeping key sensitivities to energy, freight and financing conditions in focus.

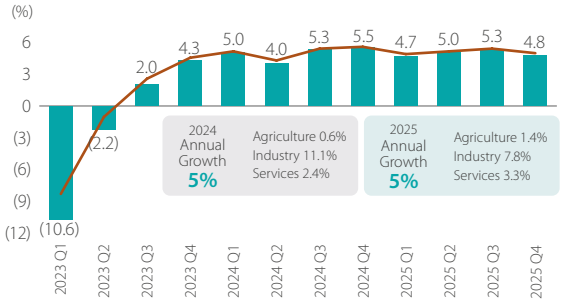
While CY2025 was largely characterised by macro stabilisation and improved resilience, the escalation of geopolitical tensions in the Middle East in late February 2026 reintroduced external pressures towards the close of the reporting period. Early effects were observable by March 2026 through significant volatility in global energy prices, disruptions to global shipping lanes and softer tourism sentiment, with implications for domestic cost structures and foreign exchange inflows. Although the full extent and duration of these impacts remain uncertain, developments to date point to a more volatile operating environment into CY2026, particularly for energy and logistics sensitive sectors.

Refer Group Outlook and Risks for further details on Sri Lankan economic outlook – page 138.

Economic Activity

Momentum in economic growth sustained…

Quarterly Real GDP Growth



Source: Central Bank of Sri Lanka

The Sri Lankan economy recorded real GDP growth of 5.0% in CY2025, based on GDP at constant (2015) prices, sustaining the growth rate achieved in CY2024. The growth strengthened during the first three quarters of the year before moderating slightly in the final quarter, reflecting the economic impacts of Cyclone Ditwah.

Strengthened consumer confidence…

Increased consumer activity was reflected in the 6.0% growth in private consumption expenditure during CY2025, indicating improving consumer confidence. This trend was also reflected in independent findings from Verité Research's Mood of the Nation Survey, indicating significantly improved consumer optimism regarding current economic conditions and expectations.

State of the Economy

Rate the economic conditions in the country today as either ***excellent, good or poor.***

28%	35%	57%	
July 2024	February 2025	February 2026	*Excellent / Good*

Economic Outlook

Do you think that the economic conditions in the country as a whole are ***getting better or worse?***

30%	55%	64%	
July 2024	February 2025	February 2026	*Getting Better*

Source: Verité Research

Impact/Response

A more stable operating environment and improving macro conditions supported demand recovery across industry groups during the year, particularly in consumer-facing businesses.

Improving consumer confidence translated into stronger performance across Consumer Foods and Retail. Lower financing costs and rising market confidence supported activity in Property. The New Energy Vehicle (NEV) business delivered an exceptional performance following the removal of vehicle import restrictions, enabling the business to convert longstanding pent-up demand with the value proposition offered through the combination of a strong product offering and the brand reputation and trust of the partnership; this uplift is expected to moderate as demand normalises.

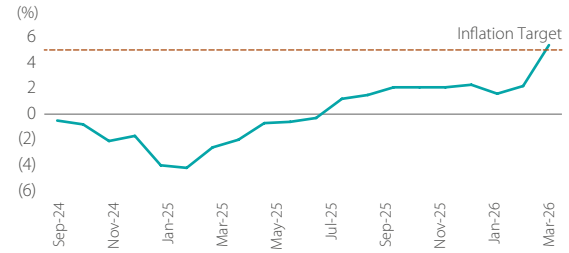
Inflation

Shift from deflation back to inflation…

Aided by:

- Increase in food inflation.
- Upward adjustments to electricity tariffs.
- Continued normalisation of demand.

Colombo Consumer Price Index (CCPI)



Source: Central Bank of Sri Lanka

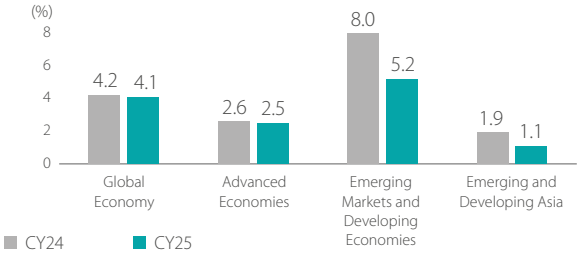
Headline inflation in early-CY2025 remained in the negative territory, reaching a low of negative 4.2% in February 2025 due to the sustained impact of low energy costs and a stronger currency. The deflationary phase concluded in August 2025 as prices turned positive, driven by upward energy price adjustments, a recovery in demand following the relaxation of vehicle imports restrictions and supply-side disruptions from Cyclone Ditwah. By December 2025, inflation firmed to 2.1%, reflecting a transition towards a more normalised price environment.

Marginal moderation in global inflation…

Driven by:

- Lower average energy prices compared to the previous year, notwithstanding continued volatility.
- Partially offset by heightened geopolitical tensions and trade related tariffs.

CY2024 vs CY2025 Inflation



Source: World Economic Outlook April 2026, International Monetary Fund

Impact/Response

Inflation returned to positive territory and remained at relatively low levels during the year, helping to preserve consumer purchasing power, particularly across consumer-facing segments.

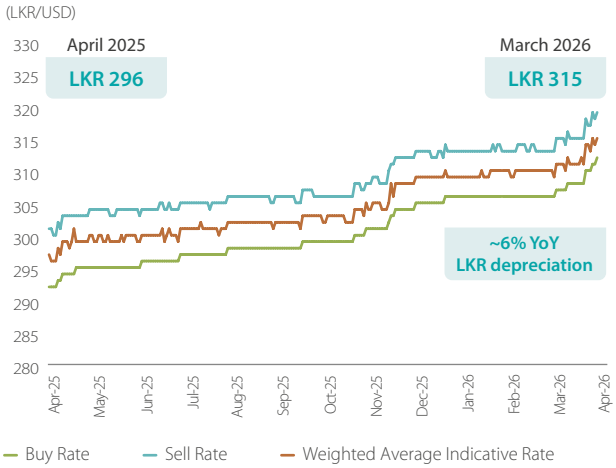
While deflation during early-CY2025 contributed positively to cost structures in selected businesses, volatility in key raw material costs and logistics-related expenses, together with increase in utilities impacted margins. These pressures were managed through calibrated pricing actions, disciplined cost management, productivity improvements and operating leverage as business activity strengthened.

Exchange Rates

Currency depreciation after two consecutive years of appreciation…

- Driven by higher levels of imports, particularly following the relaxation of motor vehicle import restrictions. Partially offset by sustained foreign exchange inflows from workers' remittances, tourism earnings and exports, which supported overall foreign exchange liquidity.
- CBSL continued to build reserves with December 2025 reserves at USD 6.83 billion – a year-on-year increase of ~USD 700 million.

LKR/USD Exchange Rate



Source: Central Bank of Sri Lanka

Impact/Response

The depreciation of the Sri Lankan Rupee during the year had mixed implications for the Group's operations. Higher import costs resulting from Rupee depreciation exerted pressure on the cost base of import-dependent businesses, particularly those with exposure to imported raw materials, goods and capital equipment. Conversely, businesses with foreign currency-denominated revenue streams, particularly within the Leisure and Transportation industry groups, benefited from favourable currency movements, which supported operating performance.

At the Holding Company level, foreign currency cash balances resulted in foreign exchange gains, which were partially offset by the translation impact of the USD 136 million loan from the International Finance Corporation (IFC).

These gains were further offset at the Group level by translation impacts on foreign currency-denominated borrowings, including the USD 189 million loan at Waterfront Properties (Private) Limited (WPL).

OPERATING ENVIRONMENT

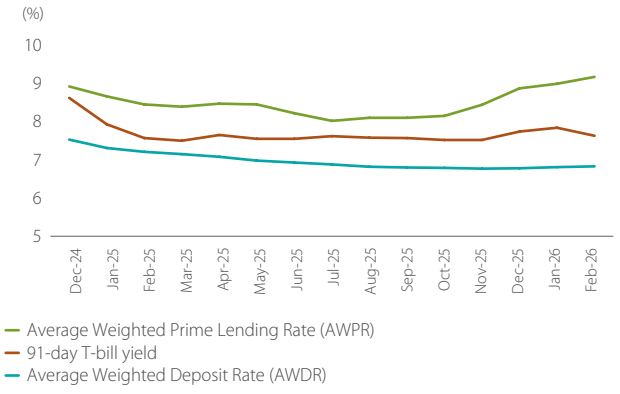
Local Interest Rates

Continued low interest rate environment…

Driven by:

- An accommodative monetary policy stance.
- Benign inflation conditions.
- Lower risk premiums following the sovereign credit rating upgrade in December 2024.
- Liquid banking systems.

Market Interest Rates



Source: Central Bank of Sri Lanka

Impact/Response

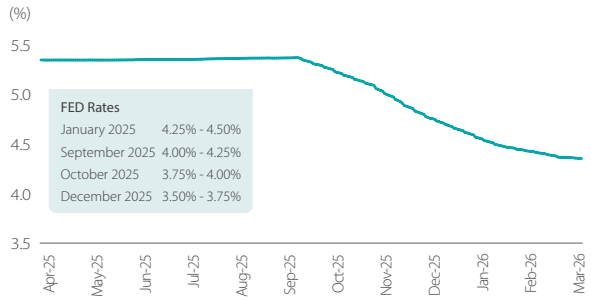
The low interest rate environment supported demand across interest sensitive segments, where reduced financing costs improved affordability and stimulated customer demand. It also supported activity across the Group's Property businesses, improving buyer sentiment and financing accessibility across several developments, including the newly launched Vauxhall DSTRCT.

Notwithstanding the low interest rate environment benefiting several Group businesses, overall interest costs increased, primarily driven by WPL, where interest costs particularly pertaining to the Cinnamon Life hotel, were partly capitalised in the prior year were expensed for the full financial year following the project becoming fully operational, together with higher working capital related interest expenses in the NEV business on account of high trading volumes.

Global Interest Rates

Global interest rates continued on a downward trajectory…

90-Day Average SOFR



Source: Federal Reserve Bank of New York

The US Federal Reserve maintained a restrictive stance though mid-CY2025 following the rate cut cycle initiated in CY2024, before commencing a cycle of three consecutive policy rate cuts starting in September 2025. This was primarily in response to moderating inflationary pressure and rising downside risks to the labour market.

Impact/Response

In respect of the Group's foreign currency borrowing portfolio, interest rate swap agreements are in place for select long term borrowings, enabling the Group to mitigate exposure to interest rate volatility.

The Group's USD interest income declined during the year, reflecting the lower interest rate environment alongside a reduced level of USD cash balances.

The Group continues to actively monitor both its LKR and USD funding profiles to ensure the optimal structure and cost of borrowings is maintained. Where appropriate, the Group evaluates opportunities for refinancing, re-pricing and other treasury-led measures, aligned with prevailing market conditions and the Group's capital requirements. In this context, the term loan facility at WPL was refinanced in March 2026 at an improved rate as against the previous loan, which will translate to a lower finance expense in the ensuing years, subject to translation risks.

Political and Regulatory Landscape

Political Stability

Post the conclusion of the national elections in 2024 and mid-2025, the reporting period was characterised by an increased emphasis on political reforms and governance alongside the implementation of IMF-backed economic reforms. Over the period, regulatory developments supported this direction, with measures aimed at strengthening oversight, improving compliance standards and reinforcing fiscal and public sector governance. Reflecting these developments, Freedom House, in its Freedom in the World 2026 report, noted that Sri Lanka recorded one of the largest gains in political rights and civil liberties during 2025, at a time of overall deterioration in global freedom, driven by the strengthened focus on accountability and anti-corruption. While elements of the reform agenda remained in transition, the period was marked by overall political stability, contributing to a more predictable operating environment and supporting business and consumer confidence.

Impact/Response

Sustained political stability during the reporting period supported operating certainty across the Group, facilitating the normalisation of business activity across key sectors and creating a more stable governance backdrop for operational execution and business planning, while reinforcing stakeholder confidence.

Tax Laws and Regulations

Refer the respective Industry Group Reviews for developments on taxation and regulations which are specific to the sectors/industries the Group operates in.

Impact/Response

The evolving regulatory environment during the year under review continued to have a mixed impact across the Group's businesses. In line with revisions to the national minimum wage, relevant businesses implemented the required wage adjustments during the year as part of compliance with prevailing labour regulations. Regulatory measures aimed at reducing plastic usage came into effect during the year, with the Supermarket business levying the mandatory charge for the issue of polythene shopping bags in line with regulatory requirements. The business continues to implement initiatives to encourage reusable alternatives. The amendments to the Shop and Office Employees Act permitting women to work night shifts created new opportunities for workforce participation, particularly within the Leisure, Retail and Consumer Foods industry groups, enabling businesses to broaden their talent pools where such engagement had previously been restricted. At the same time, uncertainty surrounding import duties and related tax policies posed challenges for certain businesses, most notably within the NEV business, impacting planning and operational decision-making. Across the Group, businesses continued to engage proactively in relation to regulatory developments and adapt operationally, viewing compliance as integral to strengthening resilience, governance and long term sustainability.

Geopolitical Considerations

The global geopolitical landscape during the year remained highly volatile, resulting in continued uncertainty for businesses. Shifting trade policies, including increased tariffs by the US, contributed to an uncertain global trade environment, with implications for export-dependent economies with less fiscal maneuverability such as Sri Lanka. The Israel-Palestine conflict, and its regional spillovers - including Houthi attacks on commercial shipping - continued to disrupt Red Sea shipping routes, affecting global trade flows and supply chains.

More recently, the escalation of tensions in the Middle East led to disruptions in the Strait of Hormuz, a critical global energy and shipping corridor, and conflict across key regional hubs, which heightened safety concerns and resulted in disruptions to both maritime and air travel. These developments contributed to increased volatility in energy prices and added uncertainty to the short to medium term global outlook.

Impact/Response

The Group did not experience material direct impacts as a result of the US tariffs during the year. The Red Sea disruption resulted in the rerouting of shipping traffic, which led to increased vessel calls at the Port of Colombo. This supported growth in both volumes and margins within the Ports and Shipping businesses during the period.

The escalation of tensions in the Middle East heightened uncertainty for businesses, with more direct impacts on the operations of the Transportation and Leisure industry groups. Shipping disruptions and volatility in fuel prices posed cost and scheduling challenges, while selectively creating opportunities in areas such as the Bunkering business. The Leisure industry group was also impacted in the short term, as cancellations and rescheduling of flights transiting through the Middle East, affected tourist flows, while travel costs increased materially on account of these disruptions and higher fuel prices.

Across the Group, elevated fuel and energy prices exerted pressure on operating costs, resulting in margin compression from the fourth quarter of the reporting period, with these effects expected to continue into the subsequent financial year. The evolving geopolitical situation continues to create uncertainty over the short to medium term outlook. In response, the Group remains focused on prudent cost management, operational flexibility and selectively leveraging opportunities arising from shifts in trade and logistics patterns, while closely monitoring developments in the external environment.

OPERATING ENVIRONMENT

Environmental and Social Aspects

Climate Change

The world continues to experience increasingly severe climate-related events. The World Economic Forum's Global Risks Report identifies extreme weather–related risks, both acute events (such as floods, storms and heatwaves) and chronic climate-related changes (including rising temperatures, sea level rise and prolonged drought) as the single most severe global risk over the long term, highlighting the growing systemic impacts of climate change on economies and societies.

During the reporting period, Sri Lanka experienced a significant climate-related event when Cyclone Ditwah impacted the country in late November 2025, resulting in an estimated USD 4.1 billion in physical damage, primarily to transportation infrastructure, as reported by the World Bank. The event significantly disrupted livelihoods, essential services and broader economic activity, reinforcing the critical importance of strengthening disaster preparedness and climate resilience.

Impact/Response

Responsible resource management and climate resilience remained areas of focus during the year, with initiatives across industry groups addressing emissions, energy, water, waste and biodiversity, alongside continued emphasis on extended product responsibility through programmes such as *Plasticcycle, Gunadamin* and *Good Water*.

Refer Natural Capital Review for further details on sustainability initiatives – page 65.

The Group experienced short term operational disruptions during and in the immediate aftermath of the cyclone, including temporary outlet closures in affected areas within the Supermarket business and cold chain-related disruptions in the Confectionery business. Despite this, there were no material operational or financial impacts arising directly from the cyclone and associated flooding. Group companies of JKH extended support to affected communities collectively amounting to Rs.500 million in financial contributions to the Government's Rebuilding Sri Lanka initiative. The Group also supported other stakeholders and employees in addressing their immediate needs.

Sustainability Reporting

Sustainability reporting has assumed greater importance among Sri Lankan corporates, particularly with the mandatory adoption of SLFRS S1 and S2 for the top 100 listed companies on the Colombo Stock Exchange commencing from the financial year ending December 2025. This reflects a broader shift towards more consistent sustainability- and climate-related disclosures aligned with the International Sustainability Standards Board (ISSB) framework.

Impact/Response

During the year, the Group engaged independent external consultants to support business units in identification and consolidation of sustainability- and climate-related risks and opportunities at business, sector and Group levels. Governance oversight has been reinforced through senior management involvement and steering committees, while work remains ongoing to further enhance data processes, internal controls and ambition setting across key material topics. The Group has commenced disclosures aligned with SLFRS S1 and S2 from this reporting period, with further depth and coverage planned progressively in the ensuing years as systems, processes and data maturity continue to evolve.

Refer SLFRS S1 and S2 Disclosures section for further details adoption of SLFRS S1 and S2 – page 370.

Non-Discrimination and Equal Opportunity

Globally, diversity, equity and inclusion (DE&I) initiatives have entered a period of recalibration, where some corporates have scaled back public DE&I language, disclosures and targets in response to evolving legal, regulatory and political considerations, particularly in the US. This is largely a change in external positioning rather than a withdrawal of inclusion efforts, with organisations increasingly embedding DE&I principles within broader human capital, governance and workplace culture practices.

The World Economic Forum's Future of Jobs Report 2025 identifies DE&I initiatives as important enablers of talent availability, particularly through the inclusion of women, people with disabilities, multigenerational workforces and LGBTIQ+ individuals, and highlights their increasing adoption by businesses in support of long term resilience and sustainability.

Impact/Response

The Group continued to progress its approach to DE&I, implementing initiatives across the Group and individual business units to foster inclusive practices across the workforce and value chain, aligned with the ONE JKH brand, while upholding equal opportunity and a culture of meritocracy. The Group firmly believes in the value DE&I initiatives create for all stakeholders and it continues to be an integral focus area and is aligned with its values.

Refer Human Capital Review for further details on DE&I initiatives – page 95.

Technological Environment

Advancing Data and Digital Technology Ecosystems

As the adoption of data-driven technologies matures, organisations are moving beyond standalone analytics towards embedding data, analytics and AI within core business processes, thereby increasing the importance of robust data foundations, integrated enterprise systems and modern digital cores. This has increased the focus on data quality, interoperability and integration across enterprise systems as critical enablers.

Impact/Response

OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, continued to embed enterprise-wide analytics capability by developing and scaling data-driven use cases across business units, while selectively extending its analytics expertise to external clients.

The Group transitioned to SAP RISE during the year, strengthening the digital core through a unified, cloud-based enterprise platform. This improved system integration, data coherence and operational robustness, while enhancing visibility across financial and operational performance.

Refer Intellectual Capital Review for further details on advanced analytics and digital transformation– page 129.

Cyber Security and Data Protection

Increased digitisation, greater reliance on cloud-based systems and the expanding use of data-driven technologies have heightened cyber and data-related risks, accompanied by evolving regulatory and stakeholder expectations around data protection and cyber resilience, reinforcing the importance of effective internal controls, governance frameworks and oversight.

Impact/Response

The Group strengthened its preventative cyber and data protection posture, with increased emphasis on access governance, threat monitoring and resilience across digital environments. Alongside this, data protection and privacy governance were further reinforced through clearer accountability, oversight and control disciplines, supporting more robust management of cyber, data and internal control risks as digitalisation and regulatory expectations continued to evolve.

Refer Corporate Governance Commentary for further details on IT governance – page 332.

OUR BUSINESS MODEL

In this section, we explore how our Business Model shapes and directs our widely diversified operations and activities.

This includes the five forms of Capital that provide inputs - the relationships and resources we employ to create and deliver our Group strategy.
We also describe our Governance Framework and policies, strategies in place to create meaningful value for all our stakeholders and our progress in terms of Environmental, Social and Governance (ESG) targets, together with an evaluation of the economic, social and environmental impacts of our value creation activities.

	Input	Value Creation Activities
Financial and Manufactured Capital Page 51	» Shareholder funds: Rs.415 billion » Net debt excl. leases: Rs.137 billion » Land bank » Machinery, plant and equipment	» Effective and responsible investment of shareholder funds » Business development activities » Cost reduction initiatives
Natural Capital Page 65	» Energy » Water » Waste » Biodiversity » Extended product responsibility » Other natural resources	» Development of ambitions and goals » Identification and implementation of continuous improvement and strategic initiatives to manage impacts of operations. » Quarterly monitoring and reporting of environmental parameters » Implementation of strategic initiatives
Human Capital Page 95	» Total Employees: 18,558 » Employee diversity, equity, and inclusion (DE&I) » Employee competencies and expertise » HR policies, processes and systems	» Acquisition of the right talent » Leveraging employee competencies and expertise for business growth » Performance management » Training and development of employees » Compensation and benefits » Employee engagement and well-being » Compliance and risk management
Social and Relationship Capital Page 113	» Dedicated corporate social responsibility (CSR) entity » Affiliations with industry, governing bodies and other stakeholders » Regular dialogue with investors, analysts and other stakeholders » Staff volunteerism » Investor relations and stakeholder management	» Investment in education, community and livelihood development, social health and cohesion and biodiversity » Identification of key stakeholders and material aspects in relation to them » Strategic and sustainable community development » Awareness creation and engagement of suppliers » Social impact assessments » Initiatives based on social needs assessment aligned to Sustainable Development Goals (SDGs)/ UN Global Compact/national development priorities
Intellectual Capital Page 129	» Brand equity and stewardship » Research and development » Technological expertise » Digital infrastructure	» Development of intangible infrastructure, processes and procedures to improve efficiency » New product development » Innovation

Vision: Building businesses that are leaders in the region

Values: Caring | Excellence | Trust | Innovation | Integrity

Strategies:

- Driving growth and value that is consistent, competitive, profitable and responsible
- Flexible cost structures to ensure optimisation of costs and thereby driving efficiencies and profit maximisation
- Increasing brand equity through a comprehensive market assessment, understanding of its target value proposition, and internal alignment to the brand promise and vision
- Recruiting, developing and retaining a talented pool of employees
- Re-engineering, process improvements, and continual strengthening of the enterprise risk management and quality management frameworks
- Minimising environmental impacts through impact analysis and stakeholder engagement
- Advancing a culture of equitable inclusion amongst the workforce and value chain and ensuring the dignity and diversity of all employees and value chain partners
- Ensuring that communities develop relevant life skills, and that the external environment is sustainable under the CSR mandate of 'Empowering the Nation for Tomorrow'



Processes and Frameworks

Page 302

JKH Code of Conduct	Corporate Governance Framework	Group Policies
Integrated Risk Management Framework	Information Technology Governance	Human Resource Governance
Tax Governance	Sustainability Governance	Corporate Social Responsibility
Resource Allocation and Portfolio Management	Stakeholder Management and Effective Communication	Strategy Formulation and Decision-Making

Note: Initiatives across the Group are carried out based on materiality towards the businesses, economic and social needs assessments and aligned to national development priorities, UN Global Compact commitments, and other factors. Whilst these initiatives have an impact on SDGs, they are not currently designed with the specific intention of measuring their direct impact against the SDGs.

OUR BUSINESS MODEL

	Output			Outcome
Financial and Manufactured Capital Page 51	» Shareholder returns and dividends » Payments to other stakeholders	Rs.**80** billion EBITDA Rs.**21** billion Capital expenditure	Rs.**22** billion Profit after tax Rs.**518** million Investments towards disaster response	» Financial stability » Financial growth » Creation of wealth
Natural Capital Page 65	» Disposal of all effluent and waste efficiently » Reduction of GHG emissions footprint » Reduced resource consumption through better monitoring	**0.34** tCO_2e GHG emissions footprint (per Rs.million of revenue) **1,129,189** GJ Energy used	**57**% Non-hazardous waste reused/ recycled	» Sustainable natural resource utilisation » Bio diversity preservation
Human Capital Page 95	» Staff motivation » Talented and efficient workforce » Job satisfaction » Career progression » Safe and equitable environment	**74**% Executive and above employee retention rate **311** Injuries	**34.2** hours Average hours of training per employee **64:36** Male:Female staff ratio	» Alignment of workforce with Group vision » Profitable businesses through improved productivity and efficiency
Social and Relationship Capital Page 95	» Community skills development » Well-informed and sound investment decisions » Better supplier/ distributor and stakeholder relations	**1,682,222** Persons impacted by community engagements Rs.**396** million Group spend on CSR (includes disaster relief)	**56**% Spend on local suppliers	» Brand visibility and reputation » Strengthened supply chain » Adherence to UN SDGs
Intellectual Capital Page 129	» Patents » Copyrights	Rs.**16** billion Intangible assets Awards and Accolades LMD's Most Respected Entity LMD's Most Loved Corporate Brand		» Evolving businesses to suit the ever changing, dynamic consumer » An entity better prepared to face disruptive business models

Stakeholder returns and engagement

- Customers
- Employees
- Community
- Institutional investors, fund managers, analysts, multilateral lenders
- Government, Government institutions and departments
- Legal and regulatory bodies
- Business partners, principals, suppliers
- Society, media, pressure groups, NGOs, environmental groups
- Industry peers and competition

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

The Group's Financial and Manufactured Capital performance reflects its commitment to long term value creation through disciplined capital management, strategic investment in core and emerging businesses, and a continued focus on operational excellence.



Rs.**572.02** billion
Revenue incl. Equity Accounted Investees
2024/25: Rs.354.83 billion

Rs.**78.05** billion
Recurring EBITDA
2024/25: Rs.45.69 billion

Rs.**35.72** billion
Recurring Profit Before Tax
2024/25: Rs.14.72 billion

Rs.**929.12** billion
Total Assets
2024/25: Rs.845.92 billion

Rs.**238.08** billion
Total Debt excl. Lease Liabilities
2024/25: Rs.210.41 billion

Rs.**137.21** billion
Net Debt excl. Lease Liabilities
2024/25: Rs.116.24 billion

In This Section

Financial Performance
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Financial Position
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Leverage and Capital Structure
Page 61

Liquidity Management
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FINANCIAL AND MANUFACTURED CAPITAL REVIEW

Leveraging its diversified asset base, the Group strengthened financial resilience during the year, delivering sustainable returns to shareholders while contributing to broader socio-economic development. These outcomes were supported by prudent financial stewardship and effective risk management practices, enabling optimal resource allocation, efficient asset utilisation, and sustained profitability amid a dynamic and evolving operating environment.

The discussion on Financial and Manufactured Capital comprises of two parts:

(1) A performance analysis of the key focus areas under Financial and Manufactured Capital

(2) Sustainability-related opportunities related to Financial and Manufactured Capital and the Group's approach to managing such opportunities

FINANCIAL PERFORMANCE

Continued macroeconomic stability, underpinned by strengthened fundamentals and a stable political environment, provided a conducive backdrop for business growth during the year. In this context, the Group's businesses delivered broad-based growth across the portfolio, with recent investments and new businesses beginning to contribute meaningfully to performance. These developments translated into a strong financial outcome for the year, supporting profitability, strengthening cash flows, and reinforcing the Group's ability to deliver sustained value to stakeholders.

During the year, the Group began transitioning from a phase of significant investments in recent years to one of contribution and scale-up.

» At City of Dreams Sri Lanka (CODSL), Cinnamon Life hotel completed a full year of operations, witnessing a gradual ramp-up in occupancy and encouraging market traction, alongside commissioning of all components of the integrated resort during the year. The Group has begun to realise the benefits of the integrated development, with revenue generated across all components, including rental income from the gaming space, resulting in CODSL achieving a positive EBITDA during the year, with further value expected to be unlocked as operations continue to scale. In comparison, 2024/25 reflects only a partial year of operations, with Cinnamon Life hotel commencing in October 2024.

» Colombo West International Terminal (CWIT) completed a full year of operations during the year, recording significant throughput in a first year of operations, reaching full utilisation of phase 1 capacity based on the current monthly run rate of volumes. CWIT reported a positive profit after tax (PAT), exceeding initial expectations, despite recognising depreciation and finance expenses related to phase 1.

» With effect from 1 April 2025, John Keells CG Auto (Private) Limited (JKCG), the Group's New Energy Vehicles (NEV) business was recognised as a subsidiary, with its financial statements fully consolidated with those of the Group. The NEV business delivered a strong performance during the year, building on pent-up demand following the easing of vehicle import restrictions, alongside business expansions through showroom expansion, charging infrastructure, and after-sales support.

Revenue

Revenue excluding Equity Accounted Investees

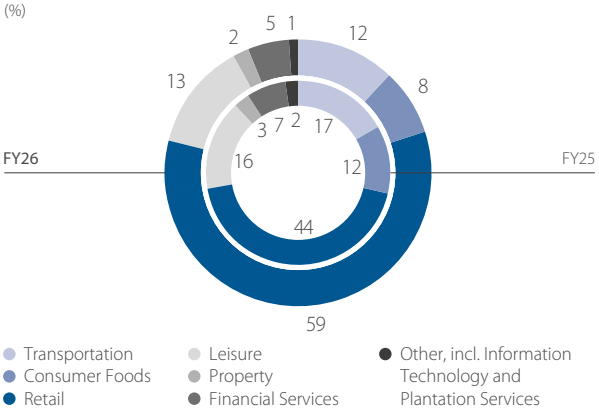
Rs.**528,851** million
2024/25: Rs.317,378 million
67% ↑

Increases in revenue primarily stemmed from the:

- Retail industry group, largely from the NEV business, which recorded strong performance on the back of pent-up demand and the Supermarket business, which recorded double-digit growth in same store sales supported by growth in footfall and incremental revenue from nine new outlets.
- Leisure industry group, mainly due to CODSL where the Cinnamon Life hotel recorded a full year of operations and the remaining components were operationalised during the year. In addition, all leisure businesses recorded growth in revenue driven by higher occupancies.
- Bunkering business, due to increased activity at the Port of Colombo, supported by tailwinds from global supply chain disruptions, and higher base oil prices.
- Consumer Foods industry group, mainly from the Beverages and Confectionery businesses on account of volume growth.

Rs.million	2025/26	2024/25	%
Transportation	62,338	54,554	14
Consumer Foods	44,438	38,669	15
Retail	313,921	138,337	127
Leisure	66,809	49,851	34
Property	11,767	8,546	38
Financial Services	25,475	21,291	20
Other, incl. Information Technology and Plantation Services	4,103	6,129	(33)
Group	528,851	317,378	67

Composition of Revenue excl. Equity Accounted Investees



Refer Industry Group Review section for detailed analysis of performance – page 167 onwards.

Revenue including Equity Accounted Investees

Rs.**572,024** million
2024/25: Rs.354,829 million
61% ↑

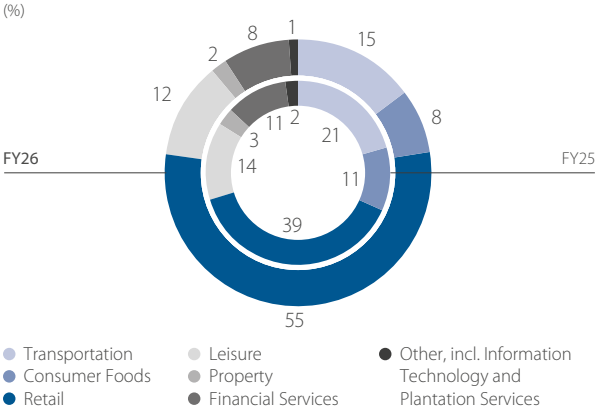
The Group's share of revenue from equity accounted investees increased by 15% to Rs.43.17 billion [2024/25: Rs.37.45 billion].

Key impacts to revenue from equity accounted investees were from:

- ⊕ CWIT, which recorded its first year of operations, posted a strong revenue performance driven by an increase in volumes.
- ⊕ Nations Trust Bank (NTB), which recorded a steady growth, driven by credit growth.
- ⊖ South Asia Gateway Terminals (SAGT), where revenue moderated during the second half of the year due to temporary closure of a berth for crane rail repairs, offsetting the encouraging performance in the first half.

Rs.million	2025/26	2024/25	%
Transportation	85,014	73,227	16
Consumer Foods	44,438	38,669	15
Retail	313,921	138,337	127
Leisure	67,512	50,099	35
Property	12,877	10,227	26
Financial Services	44,159	38,141	16
Other, incl. Information Technology and Plantation Services	4,103	6,129	(33)
Group	572,024	354,829	61

Composition of Revenue incl. Equity Accounted Investees



Refer Industry Group Review section for detailed analysis of performance – page 167 onwards.

» Revenue emanating from domestic sources during the year was Rs.427.00 billion [2024/25: Rs.227.50 billion].

Earnings Before Interest Expense, Tax, Depreciation and Amortisation (EBITDA)

Group EBITDA
Rs.**80,013** million
2024/25: Rs.45,851 million
75% ↑

Note: EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than of equity accounted investees), to demonstrate the underlying cash operational performance of businesses.

Group EBITDA recorded a substantial uplift during the year, primarily driven by the strong performance of Retail, Leisure and Transportation industry groups as detailed further in this section. In addition, encouragingly, all other businesses also contributed positively to EBITDA growth.

Refer analysis on Recurring EBITDA for further details – page 55

Group EBITDA Reconciliation (Rs.million)	2025/26	2024/25	%
Group revenue excl. equity accounted investees	528,851	317,378	67
(-) Cost of sales	(424,554)	(253,847)	67
(+) Other operating income	7,947	4,077	95
(-) Selling and distribution expenses	(14,934)	(13,056)	14
(-) Administration expenses	(44,039)	(32,023)	38
(-) Other operating expenses	(10,229)	(8,305)	23
(+) Finance income	20,729	20,611	1
(+/-) Change in insurance contract liabilities	(15,430)	(13,246)	16
(+/-) Change in fair value of investment property	2,300	957	140
(+) Share of results of equity accounted investees	11,981	10,779	11
(+) Depreciation and amortisation	19,335	14,078	37
(+) Exchange (gain)/loss*	(1,184)	(888)	33
	80,774	46,514	74
(-) Adjustments relating to policyholders at Union Assurance (UA) and shareholder interest**	(762)	(663)	15
Group EBITDA	80,013	45,851	75

**To the extent captured under other operating income/expense and finance income.*

*** Adjustments to arrive at EBITDA solely attributable to the shareholders of the Group.*

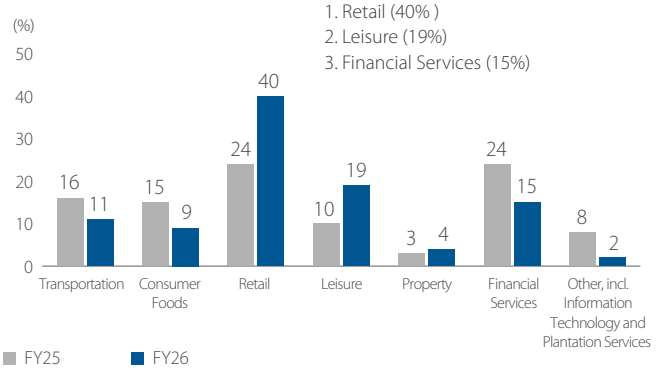
The increase in other operating income was largely attributable to gains from disposal of the Group's stakes in Fairfirst Insurance Limited and Kandy Walk Inn Limited (KWIL) during the year, in September and March, respectively, in addition to the increase in promotional and rental income from the Supermarket business. The selling and distribution expenses increased primarily due to costs related to the NEV business, which were not incurred in the previous year since operations had not commenced, together with higher promotional

and distribution expenses across the Consumer Foods businesses. Administration expenses recorded an increase driven mainly by the higher depreciation and amortisation charges at CODSL, and also the operating costs from the consolidation of JKCG, and the normal rise in operating costs across the Group businesses, including staff-related expenses. In arriving at EBITDA, it is noted that the depreciation and amortisation charge is reversed through a separate line item, as evident from the above table.

Movements in finance income, depreciation and amortisation, change in fair value gains/losses in investment property, among others, are explained in detail in the ensuing sections.

As Group EBITDA includes one-off impacts that are non-operational in nature, the ensuing section discusses EBITDA on a recurring basis, excluding such one-off impacts that skew the year-on-year comparison.

Composition of EBITDA



Primary contributors:
1. Retail (40%)
2. Leisure (19%)
3. Financial Services (15%)

Group Recurring Adjustments

To depict the underlying performance of the Group during the year, the recurring performance analysis entails the following adjustments at EBITDA level:

Adjustments, as already captured in reported results (Rs.million)		Quarter Recognised	Group 2025/26	Group 2024/25
Routine adjustments:				
Impact of fair value gains/(losses) on investment property (IP) excl. the Property industry group	Note 1	Q3 FY26/ Q3 FY25	1,040	162
Adjustments stemming from 2025/26:				
Disposal loss on sale of equity stake of Tea Smallholder Factories PLC	Note 2	Q1 FY26	(259)	N/A
Disposal gain on sale of equity stake of Fairfirst Insurance Limited	Note 3	Q2 FY26	273	N/A
Disposal gain on sale of equity stake of Kandy Walk Inn Limited	Note 4	Q4 FY26	1,523	N/A
Tax provision at Lanka Marine Services	Note 5	Q4 FY26	(676)	N/A
Deferred tax credit at TRI-ZEN	Note 6	Q4 FY26	64	N/A

Routine adjustments:

Note 1 – Removal of impacts of fair value impacts on investment property (IP):

Fair value impacts on IP were recorded at a gain of Rs.2.30 billion in 2025/26 [2024/25: gain of Rs.957 million], primarily due to gains in:

- Property - Rs.1.26 billion
- Leisure - Rs.981 million
- Other, including Information Technology and Plantation Services - Rs.38 million

Since the assets at the Property industry group are held as a part of the Group's land banking and real estate strategy and aimed at monetisation in the medium term, IP gains are reflective of its core operations. Hence, for the recurring performance analysis, only IP gains from industry groups other than Property have been adjusted.

On this basis, fair value gains, other than Property, stood at Rs.1.04 billion [2024/25: Rs.162 million].

Other one-offs/adjustments specific for 2025/26:

Note 2 – Disposal loss on sale of equity stake of Tea Smallholder Factories PLC (TSF):

In April 2025, John Keells Holdings PLC divested the totality of its 37.62% equity stake in TSF comprising of 11,286,000 ordinary shares, at a price of Rs.35.00 per share, for a total consideration of Rs.395 million. The Group recorded a loss of Rs.259 million, at a consolidated level, on the disposal of its stake.

This loss is recorded at the Holding Company under Other, including Information Technology and Plantation Services industry group.

Note 3 – Disposal gain on sale of equity stake of Fairfirst Insurance Limited:

In September 2025, Union Assurance PLC divested the totality of its 22% equity stake in Fairfirst Insurance Limited comprising of 30,800,000 ordinary shares for a consideration of Rs.2.64 billion. The Group recorded a gain of Rs.273 million, at a consolidated level , impacting EBITDA. Net of tax, a loss of Rs.38 million was recorded impacting PAT.

This gain is recorded under Insurance business in the Financial Services industry group.

Note 4 – Disposal gain on sale of equity stake on Kandy Walk Inn Limited (KWIL):

In March 2026, John Keells Hotels PLC divested its equity stake of 98.39% in KWIL, the owning company of Cinnamon Citadel Kandy, for a total consideration of Rs.2.78 billion, recording a disposal gain of Rs.1.52 billion at a consolidated level, impacting EBITDA. Net of tax, a gain of Rs.1.15 billion was recorded impacting PAT.

The disposal gain on this sale is recorded under the Hotel Management sector in the Leisure industry group.

Note 5 – Tax provision at Lanka Marine Services (LMS):

In March 2026, the Supreme Court of Sri Lanka delivered its judgment in respect of appeals filed by LMS against certain income tax and indirect tax assessments issued by the Commissioner General of Inland Revenue. In a 2:1 majority ruling, the Supreme Court dismissed these appeals.

While sufficient provisions had previously been recognised in the financial statements to cover exposures arising from these assessments, LMS recognised an additional provision of Rs.1.26 billion during the year as a measure of prudence in respect of certain other assessment periods. Of this, Rs.676 million, relating to indirect taxes, has been recognised within administrative expenses and other operating expenses, impacting EBITDA, while Rs.582 million has been recorded under tax expense, impacting PAT. This additional provision covers potential exposures relating to such assessment periods, which remain under appeal.

The charge has been recognised within the Bunkering business, under the Transportation industry group.

Note 6 – Deferred tax credit at TRI-ZEN:

A deferred tax credit of Rs.128 million was recognised during the year on account of the tax losses recorded and carried forward as a result of the timing of project profits. This will reverse in the ensuing years once the remaining revenue and profit recognition of the project is recorded.

As TRI-ZEN is an equity accounted investee and only the Group's share of profit after tax is recognised in the consolidated financial statements, only the Group's share of the deferred tax is adjusted for recurring purposes.

Note: No specific one-off or other adjustments have been made for 2024/25, other the routine adjustments.

Recurring Indicators

The following table presents the Group's recurring indicators to provide a clearer view of underlying operational performance. The subsequent sections provide a detailed explanation of the key movements across these metrics, including analysis of depreciation, interest expense, and other relevant factors.

Rs.million	2025/26	2024/25	%
Recurring EBITDA	78,048	45,689	71
Recurring PBT	35,723	14,720	143
Recurring PAT	21,379	6,763	216
Recurring net profit attributable to equity shareholders	13,237	5,193	155

Recurring EBITDA

Group EBITDA

Rs.**80,013** million

2024/25: Rs.45,851 million

75% ↑

Group Recurring EBITDA

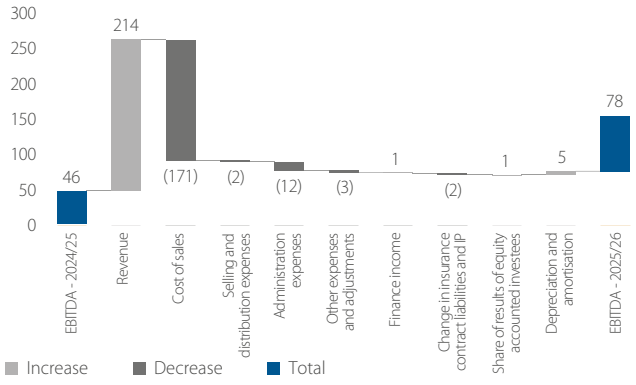
Rs.**78,048** million

2024/25: Rs.45,689 million

71% ↑

The recurring performance analysis entails the removal of one-off impacts in order to demonstrate the performance of the core operations of the businesses.

Recurring EBITDA Reconciliation from FY25 to FY26
(Rs.billion)



The recurring EBITDA breakdown for each of the industry groups are given below.

Recurring EBITDA (Rs.million)	2025/26	2024/25	%
Transportation	9,674	7,318	32
Consumer Foods	7,573	6,684	13
Retail	31,740	10,944	190
Leisure	12,486	4,527	176
Property	2,961	1,441	106
Financial Services	11,370	10,909	4
Other, incl. Information Technology and Plantation Services	2,243	3,866	(42)
Group	78,048	45,689	71

The key impacts to the recurring Group EBITDA primarily stemmed from the,

⊕ Retail industry group, driven by the strong performance of the NEV business with volume growth translating into strong EBITDA, alongside robust growth in the Supermarket business, supported by topline growth, together with improved margins arising from various productivity enhancements and cost-efficiency initiatives.

⊕ Leisure Industry group, largely reflecting the improving operating momentum at CODSL, which recorded positive EBITDA during the year. Performance across Sri Lankan Resorts, Maldivian Resorts and Colombo Hotels sector improved driven by higher rates and occupancy which contributed to improved margins.

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

⊕ Property industry group, supported by increased sales momentum, with sales and rental income at Cinnamon Life, continued strong sales traction at TRI-ZEN and revenue recognition at VIMAN, supporting improved profitability across the segments.

⊕ Transportation industry group, led by the strong performance of the Bunkering business, supported by higher margins and volumes, partly benefiting from rerouting through the Port of Colombo due to the ongoing Red Sea conflict, alongside additional tailwinds towards the latter part of the year stemming from supply chain disruptions arising from the Middle East conflict. This was further supported by CWIT, which recorded a positive profit after tax (PAT), ahead of expectations, despite recognising depreciation relating to phase 1, following the commencement of operations.

Refer Industry Group Review section for detailed analysis of performance – page 167 onwards.

Recurring EBITDA Margins

Recurring EBITDA Margins (%)	2025/26	2024/25
Transportation	11.4	10.0
Consumer Foods	17.0	17.3
Retail	10.1	7.9
JKCG	*12.2*	N/A
Retail excl. JKCG	*8.2*	*8.0*
Leisure	18.5	9.0
CODSL	*7.4*	*(215.2)*
Leisure excl. CODSL	*21.1*	*19.4*
Property	23.0	14.1
Financial Services	25.7	28.6
Other, incl. Information Technology and Plantation Services	54.7	63.1
Group	**13.6**	12.9

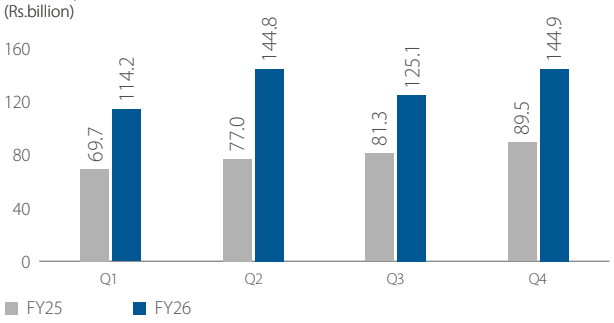
Quarterly Performance Analysis

The Group delivered strong growth momentum across the quarters compared to the previous year, driven by broad-based performance across the portfolio, with recent investments and new businesses beginning to contribute, supported by favourable macroeconomic conditions.

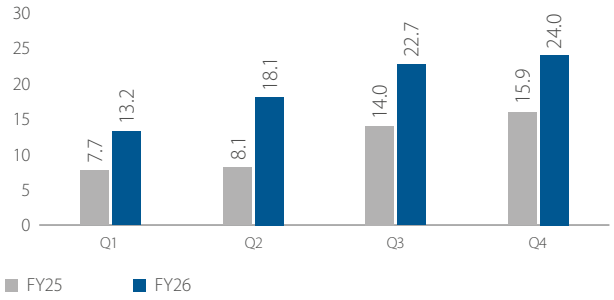
Refer to the JKH Interim Reports available on our website for further details on quarterly performance.

https://www.keells.com/investor-relations/#annual-reports

Quarterly Revenue
(Rs.billion)



Quarterly Recurring EBITDA
(Rs.billion)



Depreciation and Amortisation

Depreciation and Amortisation
Rs.**19,335** million
2024/25: Rs.14,078 million
37% ↑

Note: Depreciation and amortisation expense also includes the amortisation of lease liabilities as per SLFRS 16 – Leases.

The key impacts to the depreciation and amortisation expenses were on account of the:

⊕ Increased depreciation at CODSL amounting to Rs.5.84 billion [2024/25: Rs.2.23 billion] due to recognition of depreciation for the full year at the Cinnamon Life hotel, together with depreciation on the remaining components of CODSL that commenced operations during the year. The lower recognition in the previous year was due to the charge being recorded only from mid-October 2024 upon commencement of operations of the hotel. The mall and casino are treated as investment property, and, therefore, do not require for a depreciation charge.

⊕ Supermarket business, stemming from the increase in assets following the opening of nine new outlets during the year and amortisation costs pertaining to technology platforms.

Finance Income

Group EBITDA

Rs.**20,729** million

2024/25: Rs.20,611 million

1% ↑

The finance income composition is as follows:

Rs.million	2025/26	2024/25
Interest income from life insurance policy holder and shareholder funds at UA	12,700	11,790
Interest income of Group, excluding UA	5,596	5,647
Other finance income	2,433	3,174
Total	20,729	20,611

⊕ Interest income associated with the life insurance policyholder and shareholder funds at UA increased despite the low interest rate environment, supported by higher returns from Government securities, and strategic asset allocation. This interest income, net of related costs, is classified under operating segment results, on the basis that the interest income from life insurance funds is considered operational income.

⊖ Interest income of the Group, excluding UA, declined marginally due to lower USD interest income at the Holding Company, due to a decline in interest rates and lower USD cash balances, partly offset by the translation impact of USD interest income arising from the depreciation of the LKR.

⊖ Other finance income declined, primarily due to the absence of exchange gains from the translation of the long term loan facility at Waterfront Properties (Private) Limited (WPL) and from net foreign currency debt and cash held at the Holding Company, following the depreciation of the LKR compared to the appreciation recorded in the previous year. During last year, exchange gains of Rs.856 million related to WPL and Rs.20 million related to the Holding Company were recorded under finance income.

Although finance income includes exchange impacts, this has been eliminated for the purposes of computing EBITDA.

Refer Notes to the Financial Statements section for further details on finance income – page 510.

"Interest expense at WPL increased during the year due to the full-year recognition of interest relating to the Cinnamon Life hotel, along with interest on components that commenced operations during the year, which was previously capitalised as part of project costs."

Finance Expense

Rs.**24,935** million

2024/25: Rs.18,443 million

35% ↑

Finance expense includes the non-cash net exchange loss of Rs.3.01 billion on account of the depreciation of the LKR, as explained below.

The key impacts to the finance expense were as follows:

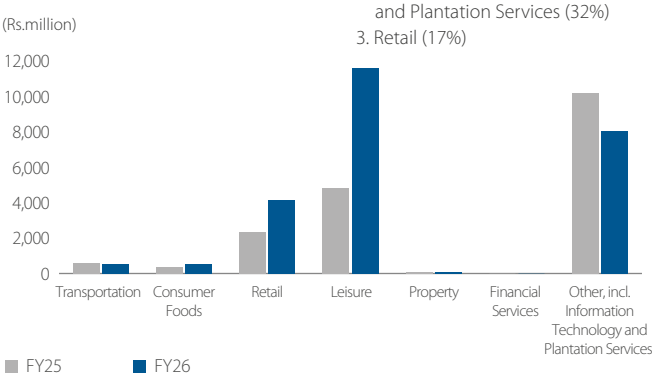
⊕ Interest expense at WPL increased during the year due to the full-year recognition of interest relating to the Cinnamon Life hotel, along with interest on components that commenced operations during the year, which was previously capitalised as part of project costs. The interest expense of JKCG on account of trade finance facilities also contributed to the increase in interest expense.

⊕ Due to the depreciation of the LKR during the year, an exchange loss of Rs.3.86 billion was recorded on the long term loan at WPL, partly offset by an exchange gain of Rs.846 million at the Holding Company arising from its net USD cash position.

⊖ Interest expenses decreased at the Holding Company, which contributed positively to PBT, mainly due to the absence of any interest charge on the convertible debentures issued to HWIC Asia Fund compared to the third quarter of the previous year, as the remainder of the debentures were fully converted in January 2025.

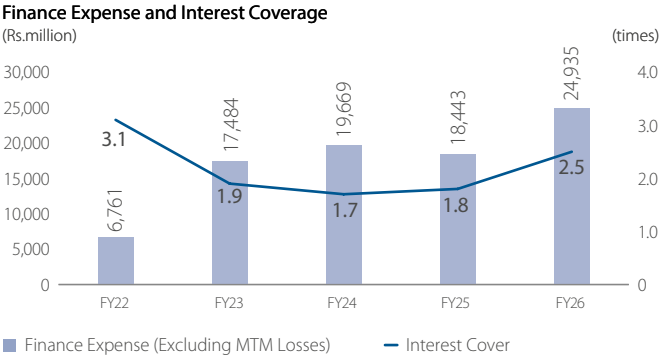
Composition of Finance Expense

Primary contributors:
1. Leisure (47%)
2. Other, incl. Information Technology and Plantation Services (32%)
3. Retail (17%)



The Group's interest cover, excluding unrealised losses on UA's equity portfolio, improved to 2.5 times from 1.8 times in 2024/25, driven by an 89% increase in EBIT compared to a 35% increase in finance expenses.

Finance Expense and Interest Coverage



FINANCIAL AND MANUFACTURED CAPITAL REVIEW

Profit Before Tax

Group PBT

Rs.**37,688** million

2024/25: Rs.14,881 million

153% ↑

Group Recurring PBT

Rs.**35,723** million

2024/25: Rs.14,720 million

143% ↑

While the EBITDA performance flowed through to the PBT level, the increase in depreciation and finance expenses was primarily driven by CODSL, as explained in the above sections.

Group PBT and Recurring PBT Reconciliation (Rs.million)	2025/26	2024/25	%
Group EBITDA	80,013	45,851	75
(-) Depreciation and amortisation	(19,335)	(14,078)	37
(-) Finance expenses	(24,935)	(18,443)	35
(+) Exchange gain/(loss)*	1,184	888	33
(+) Adjustments relating to policyholders at UA and interest expenses**	762	663	15
Group PBT	**37,688**	**14,881**	**153**
Impact of fair value gains/(losses) on investment property (IP) excl. the Property industry group	(1,040)	(162)	543
Disposal gain/loss on sale of equity of TSFL, Fairfirst and KWIL	(1,537)	-	N/A
Tax provisions at LMS	676	-	N/A
Deferred tax credit at TRI-ZEN	(64)	-	N/A
Group Recurring PBT	**35,723**	**14,720**	**143**

**To the extent captured under other operating income/expense and finance income, which was eliminated from EBITDA.*

***Reversal of adjustments previously included in the calculation of Group EBITDA.*

Refer recurring EBITDA section for detailed analysis on recurring adjustments – page 55.

"The Group's businesses delivered broad-based growth across the portfolio, with recent investments and new businesses beginning to contribute meaningfully to performance. These developments translated into a strong financial outcome for the year, supporting profitability, strengthening cash flows, and reinforcing the Group's ability to deliver sustained value to stakeholders."

Taxation

Rs.**15,606** million

2024/25: Rs.7,957 million

96% ↑

The Group tax expense primarily comprises of:

Rs.million	2025/26	2024/25	%
Current tax charge/income taxation*	14,796	6,701	121
Deferred tax charge	811	1,256	(36)
Group tax expense	**15,606**	**7,957**	**98**

**Includes withholding taxes on dividends.*

Noteworthy impacts on the Group tax expense:

» Current Year 2025/26

- A significant increase in income tax was recorded from income taxes related to the NEV business, reflecting the strong earnings contribution and performance during the year. Strong performance across the Supermarket business, Bunkering business and Leisure businesses also resulted in a higher tax base, leading to an increase in the tax expense for the year.
- The Bunkering business recorded a provision for tax of Rs.582 million relating to an appeal on income tax, as explained under the Recurring Adjustments section.
- A deferred tax charge of Rs.521 million was recognised at WPL in respect of taxable temporary differences arising on depreciable assets due to differences between accounting depreciation and capital allowances claimed. The temporary differences relate to assets expected to be used beyond WPL's income tax exemption period and have been measured using the tax rates expected to apply when the differences reverse.
- John Keells Hotels PLC recorded an income tax of Rs.368 million stemming from the disposal of its stake in KWIL. Union Assurance PLC recorded an income tax of Rs.312 million stemming from the disposal of its stake in Fairfirst Insurance.
- Withholding taxes on dividends recorded a 38% increase, primarily owing to a notable increase in dividends declared by Consumer Foods, Retail, Leisure and Transportation businesses.

» No special tax adjustments were recorded during 2024/25.

The effective tax rate (ETR) on Group profits decreased to 41%, as against 53% recorded in 2024/25. The Group reported a taxable income of Rs.34.71 billion, reflecting a growth of 64% from Rs.21.11 billion in the previous year, resulting in a tax expense of Rs.15.61 billion [2024/25: Rs.7.96 billion].

Refer to Note 21 of the Financial Statements for further details on tax expense – page 512.

Retail, Other including Information Technology and Plantation Services, Leisure and Financial Services were the highest contributors to the Group tax expense with Rs.6.21 billion, Rs.3.29 billion, Rs.1.91 billion and Rs.1.79 billion, respectively.

Profit After Tax

Group PAT

Rs.22,082 million

2024/25: Rs.6,924 million

219% ↑

Group Recurring PAT

Rs.21,379 million

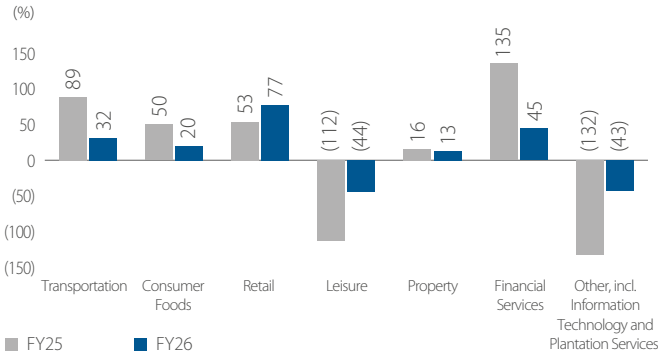
2024/25: Rs.6,763 million

216% ↑

The movement in PAT broadly reflects the trends in PBT, though impacted by the proportionately higher tax charge due to the reasons explained above.

Composition of Group Profit After Tax

Primary contributors:
1.Retail (77%)
2. Financial Services (45%)
3. Transportation (32%)



The breakdown of Group PAT, between attributable PAT to equity holders and non-controlling interest (NCI) is as follows:

Rs.million	2025/26	2024/25	%
Attributable PAT to equity holders	13,640	5,326	156
Attributable PAT to non-controlling interest (NCI)	8,442	1,598	428
Group PAT	22,082	6,924	219

Attributable PAT to non-controlling interest (NCI)

The increase in profit attributable to non-controlling interest was primarily due to the addition of the profitability related to JKCG, the NEV business, where the Group has an effective stake of 50%. The increase was further supported by the improved performance across all companies within the Consumer Foods industry group and the Supermarket business, where the Group holds effective stakes of ~81% in Ceylon Cold Stores PLC, JayKay Marketing Services (Private) Limited and Colombo Ice Company, and ~89% in Keells Food Products PLC.

Attributable PAT to equity holders of the parent (Net Profit)

Group Net Profit

Rs.13,640 million

2024/25: Rs.5,326 million

156% ↑

Group Recurring Net Profit

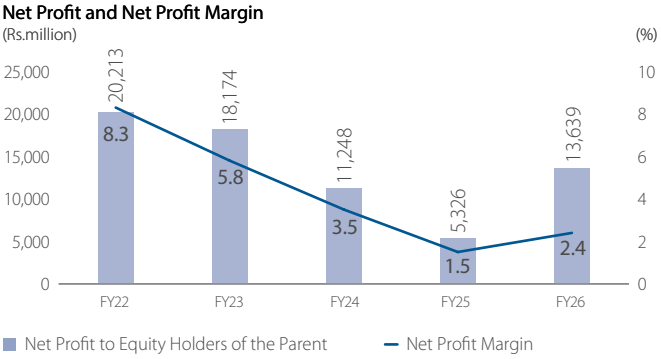
Rs.13,237 million

2024/25: Rs.5,193 million

155% ↑

The net profit margin of the Group improved to 2.4% from 1.5% in the previous year.

Net Profit and Net Profit Margin



Performance of the Holding Company

Rs.million	2025/26	2024/25	%
Revenue	3,848	3,180	21
Dividend income	13,847	10,697	29
Finance income excl. exchange gain*	4,304	4,787	(10)
Finance expenses excl. exchange loss*	(8,854)	(10,160)	(13)
Exchange gain/(loss)	846	20	4,045
Profit before tax	7,777	3,671	112
Recurring profit before tax	15,803	14,173	12
Profit after tax	7,666	3,518	118
Recurring profit after tax	7,348	3,783	94

**As per accounting standards, foreign currency gains are recognised under finance income and foreign exchange losses under finance costs. For comparison purposes, exchange impacts have been eliminated and presented separately.*

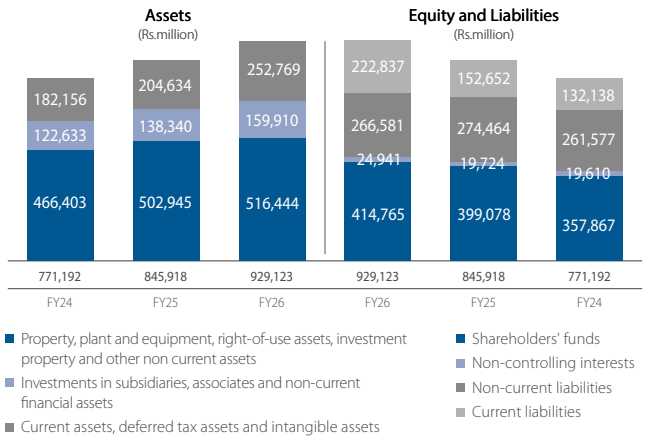
- Dividend income in 2025/26 increased, primarily driven by higher dividends from the Consumer Foods, Office Automation, Transportation and Supermarket businesses, reflecting improved profitability.
- Finance income, excluding exchange gain/loss, moderated due to lower interest income amid declining interest rates and a relatively lower USD cash balance, along with reduced gains on loan related hedge instruments, partly offset by the translation of USD interest income due to the depreciation of the Rupee.
- The Holding Company's finance costs declined mainly due to the absence of interest on convertible debentures and lower interest on the IFC loan, reflecting the reduction in the outstanding loan balance as repayments continued during the year.
- Exchange gains at the Holding Company increased, driven by a higher net USD cash position.
- Recurring adjustments applicable to the Holding Company

  For 2025/26
  - A disposal gain of Rs.317 million was recognised at the Holding Company, pertaining to the disposal of the equity stake at TSFL.

  For 2024/25
  - Investments in Mack International Freight (MIF) and Keells Realtors (Private) Limited (KRL), collectively amounting to Rs.267 million, were impaired in 2024/25. The investment in MIF was written off as the business was in the process of being wound down, whilst KRL, a non-operational entity holding real estate assets, was impaired considering its limited return potential.

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

FINANCIAL POSITION



Group Assets

Rs.**929,123** million
2024/25: Rs.845,918 million
10% ↑

The increase in total group assets was primarily driven by,

- Increase in inventory at the NEV business, reflecting the consolidation of the business during the year.
- An increase in other non-current financial assets, driven by growth in the investment portfolio at UA, supported by strong premium inflow.
- Growth in trade and other receivables, primarily driven by the Bunkering business in line with higher revenue driven by higher oil prices during the year, alongside increased receivables at VIMAN due to the timing difference between revenue recognition and customer payments.
- Increase in cash and short term investments, primarily driven by higher cash balances held by the NEV and Bunkering businesses for working capital management purposes, together with cash generated from apartment sales at WPL which is retained to fund scheduled contractor and upcoming loan payments. This was partly offset by lower cash and short term investments at the Holding Company due to a decline in USD cash holdings as explained in the ensuing section.

The work-in-progress components relating to the mall and gaming space of CODSL, previously classified under Property, Plant and Equipment (PPE), were transferred to investment property following the commencement of operations during the year. This reclassification had no impact on the overall asset base.

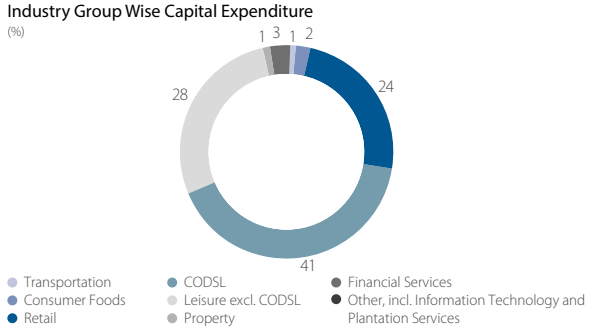
Capital Expenditure

Group Capital Expenditure
Rs.**20,689** million
2024/25: Rs.57,546 million
64% ↓

The section below provides a detailed analysis of investments in Property, Plant and Equipment (PPE), together with investments in intangible assets, to assess the Group's industry group-wise investment profile. It should be noted that this excludes investments in associates and joint ventures.

The significant decline in capital expenditure during the year, compared to the previous year, reflects the completion of the Group's large-scale investments undertaken over the past few years, particularly in CODSL. Although capital expenditure declined significantly, businesses in the Group continued to invest in expanding capacity and scale, where demand factors warranted such investments.

Industry Group Wise Capital Expenditure
(%)



The key capital expenditure across the Group during the year was driven by the following:

- Supermarket business, driven by the opening of nine new outlets, together with investments in advanced analytics and related customer-centric initiatives and IT and infrastructure development, including the Nexus loyalty application.
- Deferred payments to contractors in relation to the construction of the CODSL integrated resort.
- Investments in the Confectionery business relating to the new extruder line and capacity expansion, along with capacity enhancements in the Beverages business.

In addition to the routine maintenance capital expenditure, the Group will incur/commit to the following key investments in the near term:

- Final tranches of deferred payments to contractors in relation to the construction of the CODSL integrated resort.
- Final equity tranche in CWIT for the WCT-1 project at the Port of Colombo.
- Bunkering-related investments in the Transportation business.
- Continued rollout of ~10-15 Supermarket outlets per annum.
- Refurbishment of Cinnamon Wild Yala, to elevate the property under the Cinnamon Signature Selection portfolio.
- Capacity enhancement in core businesses of the Consumer Foods industry group and selective expansion into adjacent confectionery categories, aligned with evolving consumer preferences, and aimed at broadening market reach.

With the exception of the investments in CWIT and the payments/infusions into CODSL, which are funded by the Holding Company, the funding requirements for the expansion plans of other businesses will be met through operating cash flows and borrowings within those businesses, with no additional funding required from the Holding Company.

LEVERAGE AND CAPITAL STRUCTURE

Total assets of **Rs.929.12** billion as at March 2026

2024/25: Rs.845.92 billion

Funding Channels

45% Shareholder funds
2024/25: 47%

3% Non-controlling interest
2024/25: 2%

29% Long term funding/ creditors
2024/25: 33%

23% Short term funding/ creditors
2024/25: 18%

Group Debt and Net Debt

Group Debt

To provide greater clarity and comparability, the Group's debt profile (comprising of interest-bearing borrowings, short term borrowings, overdrafts and lease liabilities) has been presented through a segregated analysis of lease liabilities and Group debt excluding leases.

Group Debt (incl. Lease Liabilities)
Rs.272,999 million
2024/25: Rs.240,443 million
14% ↑

Group debt includes the impact of lease liabilities recorded from the adoption of SLFRS 16 – Leases.

Lease Liabilities
Rs.34,917 million
2024/25: Rs.30,032 million
16% ↑

The increase in lease liabilities was primarily driven by additions from the NEV business, which is a new contributor following its consolidation during the year, reflecting the expansion of showrooms and service centres, together with lease additions in the Supermarket business relating to the rollout of new outlets.

Group Debt excl. Leases

Rs.million	Group Debt excl. Leases 2025/26	2024/25	%
Transportation	14,359	8,095	77
Consumer Foods	9,958	6,280	59
Retail	25,197	12,837	96
JKCG	*12,479*	-	*N/A*
Retail excl. JKCG	*12,718*	*12,837*	*(1)*
Leisure	79,732	85,209	(6)
CODSL	*59,713*	*61,530*	*(3)*
Leisure excl. CODSL	*20,019*	*23,679*	*(15)*
Property	613	926	(34)
Financial Services	145	117	24
Other, incl. Information Technology and Plantation Services	108,078	96,948	11
Total	238,081	210,411	13

Group Debt (excl. Lease Liabilities)
Rs.238,081 million
2024/25: Rs.210,411 million
13% ↑

Group debt excluding leases, increased during the year primarily from,

⊕ Higher trade related short term borrowings, particularly in the NEV business and the Bunkering business amounting to a total of ~Rs.24 billion compared to ~Rs.7 billion in the previous year, reflecting increased working capital requirements in line with the commencement of operations in the NEV business and significantly high volumes achieved during the year in the Bunkering business. These borrowings are inventory-backed in nature and supported by underlying trading activity.

⊕ Increased borrowings at the Holding Company, primarily arising from funding requirements for CODSL. The use of the proceeds from the Rights Issue raised in October 2024 and its impacts are explained in the Insight on the Holding Company debt in this write up.

⊖ These increases were partly offset by the settlement of interest-bearing borrowings across the Leisure businesses, particularly at CODSL, Sri Lankan Resorts and Maldivian Resorts.

Insights

Holding Company Debt

During the year, the Holding Company net debt increased by 45%, stemming from a 11% increase in debt and an 8% decline in cash and cash equivalents.

» The increase in Holding Company borrowings was primarily driven by higher short term borrowings and bank overdrafts, partly offset by a reduction in long term interest-bearing loans following the repayment of a significant portion of term loans, including the IFC loan.

» The rise in short term borrowings and bank overdrafts reflects the impact of the utilisation of proceeds from the Rights Issue raised in October 2024. As at 31 March 2025, the unutilised proceeds were temporarily used to reduce short term borrowings and overdraft facilities. During the year, these funds were fully infused into WPL, resulting in a corresponding increase in short term borrowings and overdrafts, which had previously been reduced by the temporary deployment of these funds.

Rs.million	2025/26	2024/25
Debt position		
Interest-bearing loans and borrowings	66,071	87,441
Short term borrowings	25,129	4,100
Bank overdrafts	16,646	5,213
Borrowings	107,845	96,754
Leases	101	109
Holding Company Debt	**107,946**	**96,864**
Holding Company Cash and Cash Equivalents	57,762	61,964
Holding Company Net Debt	**50,184**	**34,899**
Proceeds from Rights Issue utilised during the year	15,042	9,000

Insights

Currency Mix

Managing exposure to foreign currency fluctuations remains a key priority for the Group, particularly given that ~USD 335 million (Rs.105.71 billion) of interest-bearing borrowings, representing ~44% of total Group debt excluding leases, is denominated in foreign currency [2024/25: ~55%]. However, the Holding Company has USD 180 million cash, which partially offsets this exposure, while a remaining portion is naturally hedged through foreign currency operational cashflows, as explained below. Foreign currency exposure primarily stems from the USD 189 million term loan at WPL, together with other foreign currency borrowings within the Leisure industry group, as well as the USD 136 million IFC term loan at the Holding Company.

The Group is conscious of the impact of foreign currency volatility, and will continue to adopt prudent measures, as and when required, to manage the financial impacts arising from currency fluctuations. However, the translation risk is/will be largely hedged 'naturally' as a result of the conscious strategy of matching liabilities against foreign currency denominated assets and revenue streams, to the extent possible.

- At the Holding Company, any translation impact on the USD 136 million term loan from IFC is effectively mitigated at a net debt level, given ~USD 180 million of foreign currency cash held, reflecting a fully hedged position. WPL and a company in Other comprise of a further ~USD 20 million in cash.
- At a Group level, foreign currency exposure is primarily on account of the USD 189 million term loan at WPL and other foreign currency-linked borrowings across the Leisure industry group. This exposure at WPL will persist until operations at CODSL continue to ramp-up, whereas the Group already benefits from a natural hedge across the remainder of its Leisure portfolio.
- At a Group level, the net USD cash position of USD 54 million at Holding Company and Other partly offsets the translation impact stemming from other foreign currency borrowings across the Group resulting in a net foreign currency debt exposure of ~USD 125 million of the total ~USD 335 million gross exposure.

Group Cash and Cash Equivalents

Rs.**114,379** million
2024/25: Rs.105,557 million
8% ↑

Group cash and cash equivalents comprises of:

- Cash in hand and at bank amounting to Rs.20.44 billion.
- Short term investments amounting to Rs.93.94 billion. It is pertinent to note that short term investments include the short term portion of the life fund at UA, which amounts to Rs.9.89 billion, and the restricted regulatory fund at UA of Rs.3.38 billion.
- Customer advances on residential and commercial sales and vehicle sales stood at Rs.237 million [2024/25: Rs.307 million].

For the purposes of computing net debt, customer advances, the life fund and the restricted regulatory fund at UA have been eliminated.

The movement in Group cash and cash equivalents primarily stem from,

- ⊕ Higher cash balances, primarily attributable to the Retail and Transportation industry groups, driven by the NEV and Bunkering businesses, respectively.
- ⊕ An increase in short term investments within the Retail industry group, primarily attributable to the NEV business and within Property industry group driven by Waterfront Properties.

At the Holding Company level, cash and cash equivalents declined during the year, reflecting lower USD cash holdings of USD 180 million [2024/25: USD 205 million], as these balances were utilised towards the repayment of the IFC loan facility at the Holding Company.

In terms of the composition of the liquid assets of the Group, Other, including Information Technology and Plantation Services accounted for 55% of cash and cash equivalents, of which a majority of assets are in the Holding Company, followed by the Financial Services industry group.

Net Debt/(Cash)

Rs.**137,213** million
2024/25: Rs.116,242 million
18% ↑

**Excluding lease liabilities and cash and cash equivalents related to UA life fund and restriction regulatory fund.*

Net debt increased during the year, driven by higher borrowings and a reduction in cash and cash equivalents, as explained above.

Rs.million	Group Net Debt/(Cash) excl. Leases			Net Debt/EBITDA (times)	
	2025/26	2024/25	%	2025/26	2024/25
Transportation	3,822	1,013	277	0.4	0.1
Consumer Foods	9,607	5,600	72	1.3	0.8
Retail	19,824	11,256	76	0.6	1.0
JKCG	*8,131*	-	*N/A*	*0.4*	*N/A*
Retail excl. JKCG	*11,693*	*11,256*	*4*	*0.9*	*1.0*
Leisure	72,383	78,659	(8)	4.8	17.1
CODSL	*56,906*	*59,228*	*(4)*	*37.0*	*(12.5)*
Leisure excl. CODSL	*15,477*	*19,431*	*(20)*	*1.2*	*2.1*
Property	(3,516)	(599)	487	(1.2)	(0.4)
Financial Services	(10,237)	(11,341)	(10)	(0.9)	(1.0)
Other, incl. Information Technology and Plantation Services	45,329	31,653	43	22.4	8.1
Total	137,213	116,242	18	1.7	2.5

Rs.million		2025/26	2024/25
Asset turnover	(times)	0.6	0.4
Capital employed	(Rs.million)	712,704	659,245
Debt/equity ratio*	(%)	54.1	50.2
Net debt/(cash) to equity ratio*	(%)	31.2	27.8
Long term debt to total debt*	(%)	45.5	65.2
Debt/total assets*	(%)	25.6	24.9
Liabilities to tangible net worth	(times)	1.2	1.1
Debt/EBITDA*	(times)	3.0	4.6
Net debt (cash) /EBITDA*	(times)	1.7	2.5

**Excludes lease liabilities.*

Insights

Debt Maturity Analysis

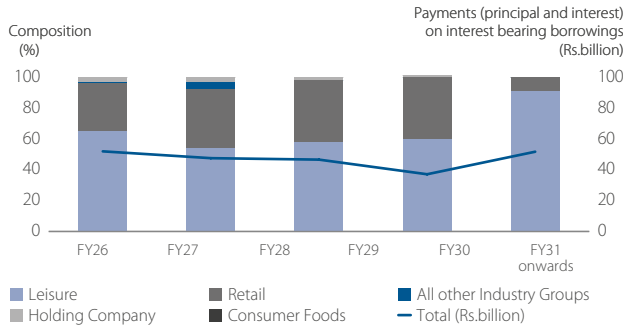
In addition to focusing on the capital structure, which entails assessing the optimal mix of debt and equity, emphasis is also placed on the dynamics of the debt structure, including the tenure, nature of facilities, and other structural considerations.

Apart from the analysis of the maturity profile of the Group's long term debt as at 31 March 2026, illustrated through the table below, the following should be noted in the context of the total debt of the Group.

- Short term borrowings stood at Rs.54.89 billion and bank overdrafts at Rs.44.05 billion, of which ~40% of the both comprises of revolving working capital and trade facilities which are continuously repaid and re-borrowed, subject to fluctuations on operating volumes and seasonality, particularly in the NEV and Bunkering businesses.
- Short term borrowings and bank overdrafts increased mainly due to increases at the Holding Company, NEV and Bunkering businesses as explained under the Group Debt section.
- The residual portion of the Group's debt is attributable to interest-bearing loans and borrowings of Rs.139.16 billion. The capital repayment and associated interest attributable to interest-bearing loans and borrowings is spread out across the medium to long term, thereby ensuring that operational cash flows would suffice in meeting such requirements.

Rs.million		Debt Service*	
Applicable Time Horizon (Years)		Group	Company
≤ 1	2025/26	39,106	15,784
1-2	2026/27	32,925	17,570
2-3	2027/28	30,167	18,540
3-4	2028/29	23,700	14,734
4-5	2029/30	47,319	4,778
>5	2030/31 onwards	-	-
Total		173,217	71,406

**Interest-bearing loans and borrowings: principal plus interest payments.*



The following should be noted with regard to the illustration above:

1. Interest bearing borrowings of the Leisure industry group include the USD 189 million term loan at WPL, comprising of a USD 150 million long term facility and a USD 39 million six month bridging facility. As per the refinancing structure, USD 39 million is to be settled within six months, as reflected under FY2027 payments in the above graph. ~60% of the long term loan (~USD 90 million) is due for final settlement in March 2031, as reflected under FY2031. At that juncture, the Group will assess the optimal approach to managing the facility, including the potential for refinancing, if required. Details of the refinancing are set out in the ensuing section.
2. The USD 136 million outstanding on the term loan from IFC, for which repayments commenced in December 2024, is structured with equally amortising capital repayments till June 2030.

Insights

Refinancing of the long term loan at Waterfront Properties (Private) Limited

The long term syndicated loan facility at WPL, originally due for repayment in December 2026, was refinanced during the year. The outstanding USD 189 million term loan was refinanced in March 2026 through a combination of a USD 150 million long term facility and a USD 39 million six month bridging facility.

The refinancing was concluded at a materially lower interest rate compared to the previous facility. The revised structure incorporates a five-year tenure for the USD 150 million long term facility, including a six-month grace period and back ended capital repayments, together with the USD 39 million six-month bridging facility. In addition to the pricing benefits, this structure supports a prudent deleveraging trajectory and improved alignment with the project's cash flow profile.

Accordingly, the combined impact of lower pricing and a reduced outstanding capital base is expected to result in lower finance costs in the periods ahead, subject to foreign currency translation movements, thereby strengthening the earnings profile of CODSL.

Group Equity

Rs.**439,706** million
2024/25: Rs.418,803 million

5% ↑

The increase in overall equity levels of the Group, primarily stemmed from:

- ⊕ Revenue reserves, driven by the Group PAT attributable to equity holders of the parent of Rs.13.40 billion recorded during the year under review, partially offset by dividends paid of Rs.4.42 billion.
- ⊕ Stated capital, stemming from exercise of employees share option plan (ESOP) amounting to Rs.1.52 billion.

Refer Share information section for more details on the ESOPs – page 157.

Group Return on Capital Employed (ROCE)

The Group ROCE increased to 9.0% in 2025/26 from 5.1% in the previous year, primarily driven by an increase in EBIT, led by the NEV business and CODSL, together with broad-based growth across the Group, as discussed previously. Capital employed increased by 7%, primarily due to the consolidation of JKCG, increased infusions to WPL and higher working capital related debt at LMS. The increase in ROCE reflects the Group's ability to generate higher returns from its capital base, supported by improved profitability and more effective utilisation of assets as operations continue to scale as evident in the material increase in the asset turnover ratio.

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	9.0		10.7		0.64		1.29
2024/25	5.1		9.2		0.44		1.26

FINANCIAL AND MANUFACTURED CAPITAL REVIEW

The Group's capital employed is significantly skewed towards CODSL due to the large investment in the project, the returns of which are still at an early stage of ramp-up.

The Group ROCE, excluding the Group's integrated resort, increased to 16.9% compared to 11.1% last year, demonstrating the strong returns of the broader portfolio.

Group Return on Equity (ROE)

The Group return on equity (ROE) increased to 3.4% in 2025/26 from 1.4% in 2024/25. The increase in ROE was primarily driven by a 156% growth in net profit attributable to equity holders against a relatively stable shareholder equity base, which increased by only 8% during the year.

ROE analysed using the DuPont framework, reflects a strengthening in the Group's core operating performance, as evidenced by the increase in returns generated from the asset base, although at a very low base given the significant investment in CODSL. The improvement was, however, partly moderated by a decline in earnings conversion, while changes in financial leverage had a relatively limited impact. Overall, the increase in ROE underscores the Group's ability to generate returns from its underlying operations, and in particular, the impact from scaling up of CODSL, as discussed previously.

	ROE (%)	=	Return on Assets (%)	x	Common Earnings Leverage	x	Equity Multiplier
2025/26	3.4		2.5		0.62		2.18
2024/25	1.4		0.9		0.77		2.14

LIQUIDITY MANAGEMENT

The Group continued to have robust cash and liquidity management practices and evaluate its resilience under various stress-tested scenarios. The Group prioritises the agility in the operating model, with a focused view on cash management and liquidity preservation, which remains critical amid prevailing macroeconomic and geopolitical uncertainty.

Working Capital/Liquidity

Rs.million	2025/26	2024/25	%
Current assets	234,668	187,862	25
Current liabilities	222,837	152,652	46
Working capital	11,830	34,661	(66)

Current assets increased mainly due to higher inventory, trade and other receivables and cash in hand driven by the factors discussed under the Group Assets section.

The increase in short term borrowings and bank overdrafts, as explained in the previous section, contributed 75% to the total increase in current liabilities. As stated, these increases stem primarily from trade finance facilities which are reflective of the volume of business in the NEV and Bunkering businesses, in particular.

Working capital declined as current liabilities increased by 46%, outpacing the 25% growth in current assets.

Cash Flow

Cash and cash equivalents in the Statement of Cash Flows comprise of cash and short term investments with a maturity of three months or less, net of outstanding bank overdrafts. On this basis, as at 31 March 2026, cash and cash equivalents decreased by Rs.3.24 billion, to Rs.8.27 billion.

- Net cash flow from operating activities reflected an inflow of Rs.26.09 billion for 2025/26, primarily on account of cash generation from operations.
- Net cash outflow from investing activities was Rs.23.48 billion, compared to Rs.68.39 billion in the previous year, primarily driven by investments in property, plant and equipment (PPE) across the Supermarket business and CODSL. The decline from the previous year reflects lower capital expenditure on CODSL for construction as the remaining components of the project commenced operations during the year.
- Net cash from financing activities recorded an outflow of Rs.45.85 billion compared to an inflow of Rs.28.49 billion in the previous year, primarily due to the repayment of long term borrowings particularly at the Holding Company, whereas the previous year included ~Rs.24 billion of proceeds from the Rights Issue in October 2024.

		2025/26	2024/25
Current ratio	(times)	1.05	1.23
Quick ratio	(times)	0.79	0.97

Sustainability-Related Opportunities Related to Financial and Manufactured Capital

Sustainable finance and investment is recognised as a financially material sustainability-related opportunity, reflecting the increasing relevance of sustainability considerations in capital allocation and funding decisions.

The increasing availability of sustainability-linked financing, green loans and other responsible investment instruments presents an opportunity to align funding strategies more closely with the Group's growth and especially in relation to transition-related investments, as well as possibly provide reduced projects costs in other capital intensive sustainability-related investments.

The Group's Sustainability Management Framework is aligned to international reporting frameworks such as the GRI Standards and the SLFRS S1 and S2 Standards, enabling the Group to strengthen governance, sustainability processes and monitoring within internal decision-making. This enables the Group to provide transparency of its sustainability commitments to prospective providers of sustainable finance.

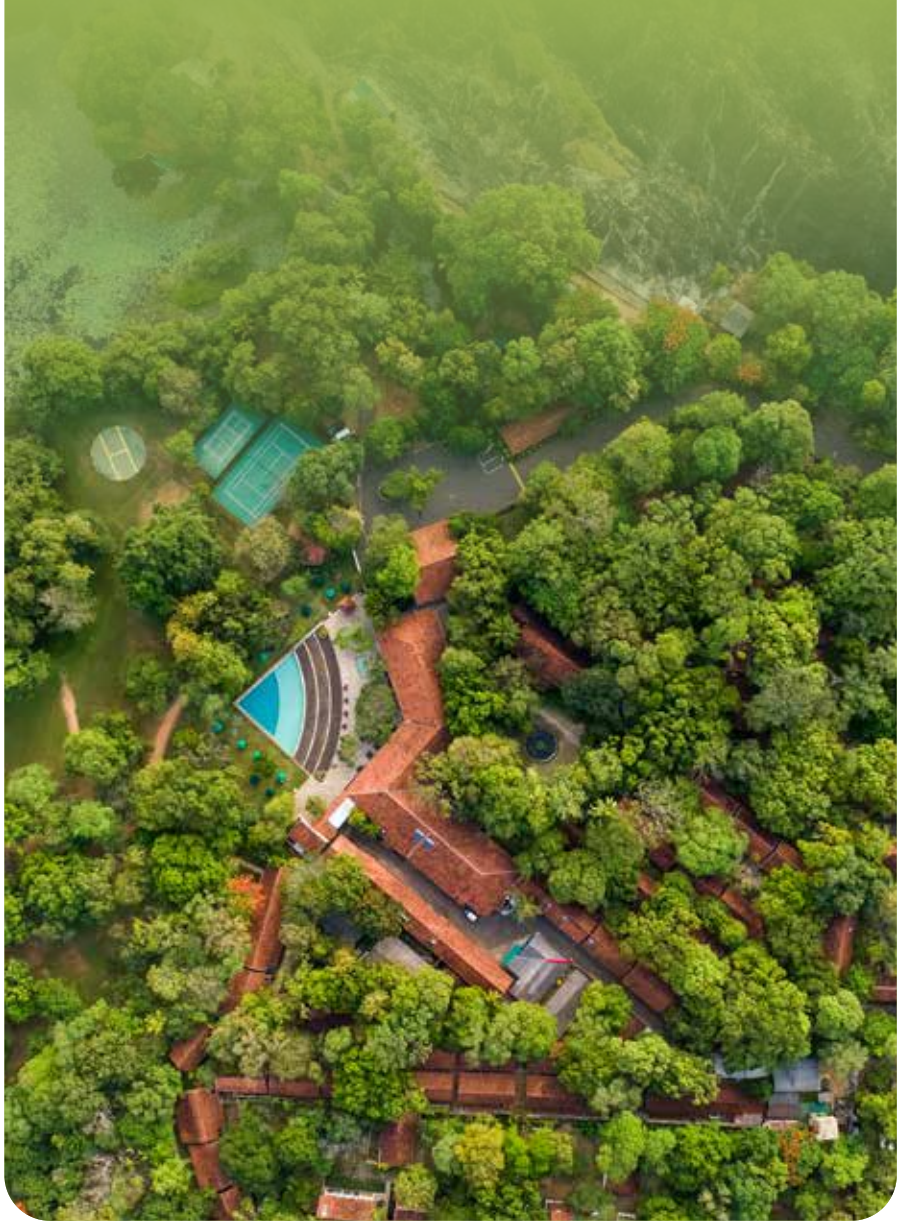
This sustainability-related opportunity is mainly focused at the Holding Company level and within capital-intensive business units, where funding structures and capital deployment decisions are of significance.

At present, no significant financial impact has been identified on the Group's weighted average cost of capital arising from such opportunities, with potential limited short term opportunities from such sustainable finance instruments. However, the Group will continue to explore suitable sustainable financing opportunities, anticipating a lower risk weighted average cost of capital and enhanced funding flexibility in support of investment in sustainability-related assets.

The Group also continues to engage with multilateral lenders on sustainability-focused investments, including development finance institutions. These relationships may support future financing discussions by further strengthening the Group's sustainability credentials and related disclosures.

NATURAL CAPITAL REVIEW

The Group remains committed to embedding sustainability within its corporate strategy, enabling responsible business growth while minimising environmental impact.



186,959 tCO_2e
GHG Emissions Footprint
2024/25: 158,536 tCO_2e

1,129,190 GJ
Energy Used
2024/25: 1,034,454 GJ

90,539 GJ
Renewable Energy Generated
2024/25: 122,191 GJ

4,245 GJ
Energy Reduction Through Initiatives
2024/25: 2,250 GJ

2,564 ML
Water Withdrawn
2024/25: 2,280 ML

14,192 MT
Waste Generated
2024/25: 10,410 MT

57%
Waste Recycled
2024/25: 56%

1,206 MT
Waste Collected from Extended Producer Responsibility Initiatives

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NATURAL CAPITAL REVIEW

Key Highlights

- The Consumer Foods industry group implemented a series of energy efficiency initiatives, delivering an estimated 216,207 kWh in annual electricity savings, 26,396 litres of furnace oil savings, and a ~10% reduction in refrigeration energy consumption.
- The Leisure industry group strengthened water stewardship through reuse, recycling and conservation initiatives, achieving an estimated savings of ~13,024 m^3 and further reducing freshwater demand through the use of non-potable water across resort operations.
- Under the 1T Pledge, the Group planted 2,693 native trees during the year, progressing towards its commitment to plant 130,000 trees by 2030.
- Under the Plasticcycle initiative, 50.2 MT of recyclable plastic waste was collected and channelled to responsible recycling and repurposing.
- A total of 07 ocean strainers were deployed to divert waste from inland waterways, preventing marine pollution. During 2025/26, ~51.39 metric tonnes of waste were collected through these installations.

Awards and Accolades

- Plasticcycle, the John Keells Group's social entrepreneurship initiative to reduce plastic pollution through responsible disposal and recycling, received the Bronze Award for 'Best CSR Website' at the BestWeb Awards 2025.
- Cinnamon Life was recognised with the 'Sustainable Construction Award' in the Leisure Sector at the Ceylon Institute of Builders Sustainability Awards 2025.
- Cinnamon Hotels & Resorts received the 'Best Ecosystem & Wildlife Conservation Initiative' award at the PATA Gold Awards 2025, for its Cinnamon Rainforest Restoration Project.

Standards and Certifications

Across its operations, the Group maintains a strong base of environmental certifications supporting sustainable practices and regulatory compliance. These include ISO 14001:2015, ISO 13739:2020, and ISO 50001:2018, alongside Green Building certifications under the Urban Development Authority's Blue Green Sri Lanka programme, LEED, and Travelife. Together, these certifications reflect a continued focus on effective environmental management, risk mitigation, and long term value creation.

The Group remains committed to embedding sustainability within its corporate strategy, enabling responsible business growth while minimising environmental impact. In line with the adoption of SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures (SLFRS S1 and S2 Standards), the Group has further strengthened the integration of sustainability and climate considerations across its governance, strategy, risk management and performance measurement processes. These structured frameworks are augmented by the Group's Sustainability Management Framework (SMF), which is anchored on the identification of material impacts and risks, adherence to established policies, robust data management practices, internal reporting and assurance mechanisms.

During the year 2025/26, the Group advanced its environmental priorities across all sectors, focusing on greenhouse gas (GHG) emissions and energy management, water and effluent management, waste management and packaging, extended producer responsibility (EPR), and biodiversity. Dedicated Steering Committees provided oversight by reviewing current performance and identifying priority actions aligned with the Group's environmental ambitions, ensuring consistent progress and accountability across the Group.

The following capital review is presented within the context of the Group's application of a double materiality approach, to identify its material impact topics aligned with the Global Reporting Initiative (GRI) Standards, and the identification of financially material sustainability-related and climate-related risks and opportunities (SRROs and CRROs) aligned with the SLFRS Sustainability Disclosure Standards S1 and S2.

Internally defined focus areas, which reflect key areas of the Group's management approach, strategies and performance, provide an overview of how relevant material topics are managed within the Group. These focus areas also provide a broader overview of management approaches relating to other areas associated with this capital and addressed within the Group.

Refer Determining Materiality section for further information on the double materiality approach – page 396.

Within the Natural Capital Review, the focus areas cover the following from an impacts, and risks and opportunities perspective:

- importance of material topics;
- the Group's approach to managing these material topics;
- performance of material topics, reflected through relevant metrics and disclosures.

MATERIAL TOPICS

The Group identifies its environmental material topics and key priorities through a comprehensive materiality assessment process supported by periodic stakeholder engagement, enterprise risk analysis, and peer benchmarking. In line with the requirements of both the GRI Standards and the SLFRS S1 and S2 reporting standards, this process considers both the impact of the Group on the environment and the sustainability-related risks and opportunities that may reasonably be expected to have a financial impact over the short, medium and long term.

The Group's sustainability-related impacts, risks and opportunities pertaining to its natural capital are as follows:

Impacts	Risks	Opportunities
Energy, GHG emissions and climate resilience Water and wastewater management Waste management and packaging Biodiversity Environmental and social compliance	Impact on assets and operations due to acute physical risks Energy volatility and transition to low carbon alternatives Water scarcity and deterioration of water quality Disposing plastic, packaging and hazardous waste and meeting EPR requirements Inadequate infrastructure and facilities for waste disposal leading to landfill dependency	Investment in renewable energy Efficient effluent and wastewater management Cross-sector circular economy solutions Ecosystem conservation and restoration to support nature-based demand

Refer Outlook and Risks, and SLFRS S1 and S2 Disclosures sections for further information on Impacts, Risks and Opportunities.

Management of Environment Related Impacts, Risks and Opportunities

The Group Environmental Policy promotes sound environmental practices through the establishment of directives that enable the Group to conduct operations in a sustainable manner while minimising the Group's environmental footprint. Businesses are expected to continuously identify potential environmental impacts, risks and opportunities (IRO) arising from their activities and to manage such IROs effectively, whilst ensuring responsible, efficient, and sustainable use of natural resources.

Focus Areas

Based on the material topics identified above, the Group has established focus areas to manage environmental themes relevant to its operations.

The contributions of operating units are aligned to these focus areas, translating material topics into actionable priorities and enabling a consistent approach across the value chain.

Performance is managed through the Group's SMF, through established Group level policies and utilising industry specific performance indicators aligned with GRI and Sustainability Accounting Standards Board (SASB), benchmarked against historical performance, and reviewed quarterly to ensure continued alignment with the Group's environmental objectives and long term ambitions.

Material Topic	The Focus Areas Relating to Management of Material Topics and Environmental Compliance
Energy, GHG emissions and climate resilience, and transition to low carbon alternatives	Energy and GHG emissions management
Water and wastewater management including management of water scarcity	Water and effluent management
Waste management and packaging including EPR compliance	Waste and packaging management Extended producer responsibility
Biodiversity and ecosystem conservation	Biodiversity

ENERGY AND GREENHOUSE GAS (GHG) EMISSION MANAGEMENT

Energy consumption and the resulting GHG emissions are key considerations for the Group, given their environmental impact and financial implications. The Group's diverse operations, including hotels, manufacturing facilities, logistics operations, and transportation services, are energy intensive and contribute to Scope 1 and Scope 2 emissions. As a result, improving energy efficiency and progressively managing the Group's GHG emissions footprint remain key priorities, in supporting broader climate objectives.

Reliance on grid electricity and fossil fuels may expose the Group to transition-related developments, including energy price volatility and the transition to low carbon alternatives, as well as evolving regulatory expectations. Energy represents a significant component of operating expenditure. As a result, fluctuations in electricity tariffs and fuel prices can have a direct impact on operating costs, margins and cash flows. In addition, the global transition towards lower-carbon energy systems may introduce regulatory changes, carbon pricing mechanisms such as Carbon Border Adjustments Mechanisms, and evolving stakeholder expectations, potentially necessitating investment in renewable energy and energy efficiency initiatives. Certain operations may also be exposed to acute- and chronic- physical climate-related impacts, such as rising temperatures and extreme weather events, which may increase cooling demand, electricity consumption, and the risk of energy supply disruptions. These factors are therefore embedded within the Group's energy planning, investment decision-making and broader risk management processes.

Accordingly, energy, GHG emissions and climate resilience, and transition to low carbon alternatives has been identified as a material topic for the Group through the double materiality assessment, reflecting both the impact materiality and financial risks and opportunities associated with energy use and the transition to a

low-carbon economy. The transition to low carbon alternatives and the management of acute physical risks of climate change have been identified as a Group level climate-related opportunity.

In response to identified energy related risks and impacts, businesses continue to implement targeted initiatives to improve energy efficiency, strengthen operational resilience, and manage GHG emissions.

Management of Impacts of Energy and GHG Emissions

Guided by the Group's Energy Management Policy, the Group manages impacts arising from energy consumption and GHG emissions through a structured approach encompassing operational efficiency improvements, optimisation of energy use, and the gradual integration of renewable energy solutions across its operations.

Group Energy Management Policy

The policy aims at minimising energy-related environmental impact while enhancing the Group's competitiveness through energy cost efficiencies by embracing lean and disciplined energy management practices.

These measures aim to reduce energy intensity, manage emissions, and enhance operational resilience. These actions focus on addressing four key impact areas: direct and indirect GHG emissions from energy consumption, energy-intensive operational processes and infrastructure, emissions arising from transportation and logistics activities, and reliance on fossil fuel-based energy sources.

Across the Group, industry groups regularly monitor energy consumption and emissions to identify opportunities for efficiency improvements and operational optimisation. This includes initiatives such as improving equipment performance, optimising operational processes, and upgrading energy-intensive systems, where feasible.

9%
increase in overall energy consumption

4,245 GJ
of energy saved through initiatives

- The Consumer Foods industry group, focus on improving energy efficiency, by ongoing monitoring of energy intensity to identify reduction opportunities. Refrigeration systems and fuel usage are continuously optimised across operations, to enhance performance and minimise emissions. During the year, the industry group invested ~Rs.1.5 million towards such energy-efficient improvements.
- The Retail, Leisure and Property industry groups energy management uses structured energy efficiency programmes, optimised operational controls, and targeted upgrades of energy-intensive equipment. Renewable energy solutions are progressively scaled across business units to reduce reliance on grid electricity and fossil fuels.
- In the Destination Management sector, transportation services are a major contributor to energy use and emissions. Efforts to improve fleet performance include using Diesel Exhaust Fluid (DEF) to lower emissions and transitioning towards electric vehicles (EVs).

Through these sector specific initiatives, the Group enhances its energy productivity, reduces its GHG emissions footprint, and ensures operational continuity while strengthening the management of environmental impacts arising from energy consumption and GHG emissions.

Refer Industry Group Review section for further information on sector specific initiatives – page 167 onwards.

Management of Energy and GHG Emissions Related Risks and Opportunities

In line with the energy volatility and transition risks identified above, the Group manages CRROs through a combination of strategic and operational interventions. These risks arise from the global shift from a carbon intensive economy towards a lower-carbon economy, which may affect regulatory requirements, cost structures, technology choices, and stakeholder expectations.

To manage these transition risks, businesses progressively implement initiatives aimed at enhancing energy efficiency and reducing reliance on carbon-intensive energy sources. These measures include upgrades and replacements of energy-intensive equipment and processes, alongside the adoption of renewable energy solutions across operations. Looking ahead, the Group intends to further integrate climate-related considerations into capital allocation and asset lifecycle planning, supporting more informed investment decisions and long term resilience. The Group has strengthened environmental governance through the implementation and maintenance of Environmental Management Systems, including ISO 14001 certifications, where applicable.

Ongoing engagement with regulators and key service providers supports the Group's preparedness for evolving policy, regulatory, and market developments. In addition, mechanisms such as International Renewable Energy Credits (IRECs) are being explored to enhance flexibility in emissions management and contribute to a low-carbon economy. Transparent monitoring and reporting of emissions performance further support accountability and stakeholder confidence during the transition to a lower-carbon operating model.

Physical climate risks, including acute disruptions from extreme weather events and chronic impacts such as rising temperatures, are managed through business continuity planning, infrastructure resilience measures, backup power arrangements, and real time monitoring of critical systems. Emergency response protocols and periodic drills are implemented across operations to minimise operational downtime and mitigate potential financial exposure.

In managing the operational and financial impacts arising from acute, chronic and transition climate-related risks, the Group is in the process of developing a comprehensive Climate Change Adaptation and Transition Plan, which would be formalised in the forthcoming years.

While climate scenario analysis was not undertaken during the reporting period, the Group has initiated plans to conduct such analysis in the future to further assess and refine the potential financial impacts of acute, chronic and transition climate-related risks. The application of globally recognised climate scenarios is expected to enhance the ability to prioritise these risks, and refine and focus its strategies towards mitigating such risks.

Operational Impacts of Cyclone Ditwah

During the year, severe floods in several parts of Sri Lanka, resulting from Cyclone Ditwah, highlighted the potential operational impacts associated with extreme weather events. The flooding affected supply chain movements across certain businesses of the Group and resulted in temporary operational disruptions at several locations. Within the Leisure industry group, four hotel properties experienced operational disruptions arising from flooding in surrounding areas, while thirteen supermarket outlets were impacted by supply chain delays and temporary access constraints caused by flooding and earth slips. Employee mobility was also affected, with disruptions to commuting that limited staff access to workplaces in several locations. Notwithstanding these challenges, the overall impact to the Group was effectively managed and minimised through established contingency and business continuity measures and the presence of appropriate insurance coverage for affected assets and operations.

Refer SLFRS S1 and S2 Disclosures section for a further Group-level narrative relating to the CRROs and the management of such CRROs – page 370.

Group Energy and Greenhouse Gas Emissions Performance

Energy demand across the Group is primarily driven by energy-intensive activities within industry groups such as Consumer Foods, Leisure and Retail. Business units maintain structured energy management programmes to monitor, manage and optimise fuel and electricity consumption, which also forms the basis for measurement and reporting of emissions.

The following sections present an overview of the energy consumption performance at Group level, together with an industry group level analysis of the key drivers contributing to this trend.

Group Energy Performance

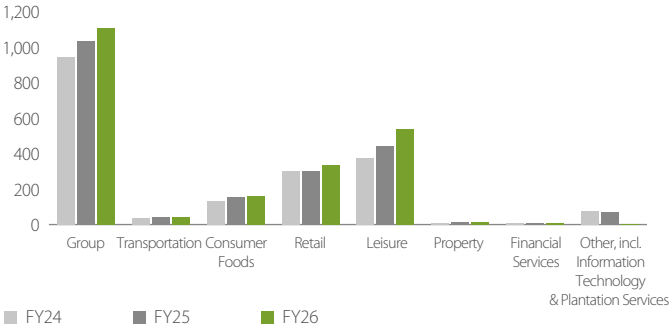
Group performance	2025/26	2024/25*	2023/24*
Energy consumption: non-renewable sources (GJ)**	1,038,651	912,263	822,791
Energy consumption: renewable sources (GJ)	90,539	122,191	124,455
Purchased energy: national grid	658,094	549,089	473,791
Total energy consumption within the organisation (GJ)	1,129,189	1,034,454	947,246
Total energy consumption (GJ) per Rs.million of revenue within the organisation	2.07	3.13	3.38

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

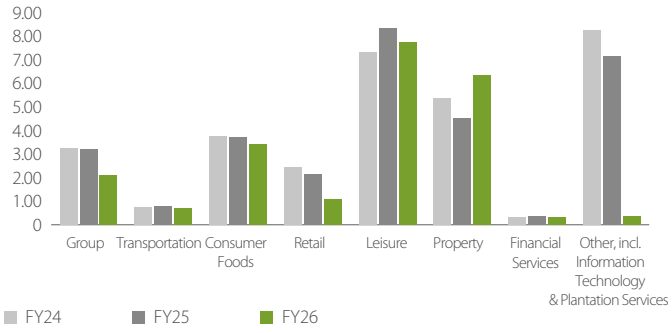
***This includes national grid electricity and other non-renewable energy sources.*

The table presents the Group's year-on-year performance in relation to total energy consumption, grid electricity usage, and renewable energy contribution. Energy consumption includes diesel, petrol, furnace oil, other types of oil, and liquid petroleum gas, as non-renewable energy sources, and solar and biomass consumption as renewable energy sources.

Energy Consumption by Group and Industry Groups
(GJ '000)



Energy Consumption per Rs.million of Revenue
(GJ per Rs.million)



For purpose of comparability, given the diversified nature of the Group, the energy intensity performance has been considered based on a common denominator of Rs.million of revenue.

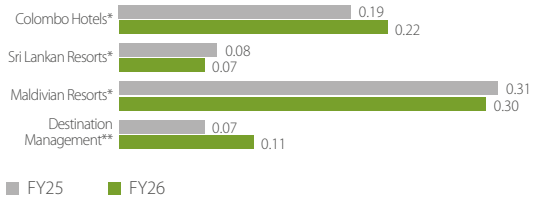
Total energy consumption at Group level increased in 2025/26 by 9%, driven mainly by operational expansion in the Leisure and Retail industry groups and higher production volumes in Consumer Foods.

Energy intensity, measured per Rs.million of revenue generated, declined at Group level in 2025/26 compared to the previous year, reflecting improved energy efficiency relative to revenue growth. While some industry groups recorded increases, overall Group performance remained relatively stable, indicating that efficiency levels improved despite operational expansion and higher production volumes.

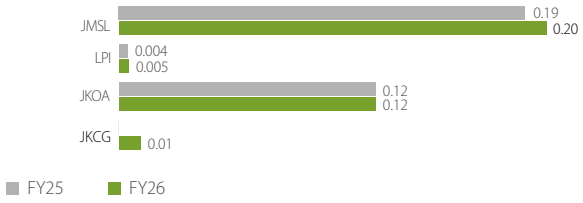
To depict a more relevant industry group intensity performance, business level performances based on their relevant intensity factors are presented in the ensuing section.

Energy Consumption per Operational Intensity Factor in Industry Groups

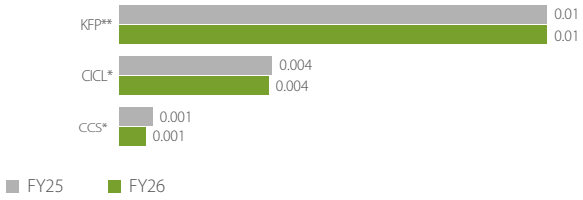
Leisure
(*GJ per guest night/**GJ per client)



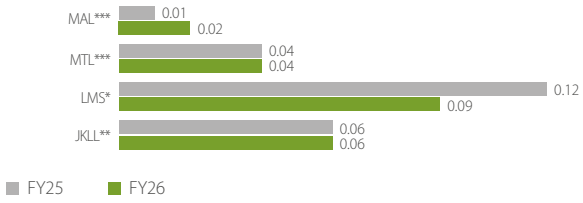
Retail
(GJ per sq. ft. of outlet/office area)



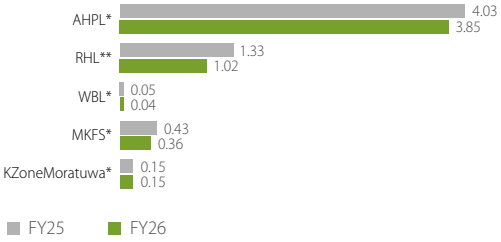
Consumer Foods
(*GJ per litre produced/**GJ per kg of processed meat produced)



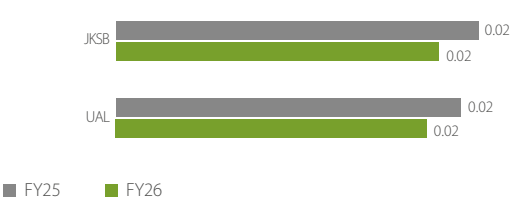
Transportation
(*GJ per MT sold/**GJ per sq.ft. of warehouse managed/***GJ per sq. ft. of office area)



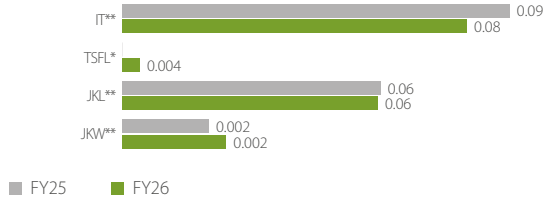
Property
(*GJ per sq. ft. of office area/**GJ per guest night)



Financial Services
(GJ per sq. ft. of office area)



Other, incl. Information Technology and Plantation Services
(*GJ per kg produced/**GJ per sq. ft.)



» Within the Leisure industry group, total energy consumption and energy use per guest night increased in the Colombo Hotels sector, largely driven by the commencement of full operations of Cinnamon Life, a luxury value proposition, and the commencement of the mall operations. In contrast, Sri Lankan and Maldivian Resorts demonstrated improved energy performance through ongoing energy efficiency initiatives.

» The Retail industry group recorded an increase in both total energy consumption and energy intensity, primarily driven by the opening of three showrooms and three service stations under the New Energy Vehicles business, along with the expansion of nine supermarket outlets.

» Businesses across the Consumer Foods industry group reported an increase in energy consumption in absolute terms with increase in production volumes. Keells Food Products PLC (KFP) recorded an increase in absolute energy consumption, reflecting changes in operational processes, including the adoption of waste incineration following restrictions related to the African Swine Fever outbreak, which led to a temporary increase in fuel consumption. Despite this, Ceylon Cold Stores PLC (CCS), Colombo Ice Company Limited (CICL) and KFP reported improvements in energy intensity, driven by higher production volume and energy efficiency initiatives.

- The Transportation industry group recorded a marginal increase in energy use, partly influenced by changes in the allocation of energy consumption across shared office facilities.
- The Property industry group reported a marginal year-on-year increase in energy consumption, primarily driven by higher activity levels, particularly at Rajawella Holdings Limited (RHL), including an increase in room nights at the golf resort, other events and golf operations.
- The IT and Plantation services industry group, achieved an overall reduction in energy consumption, driven by Infomate's relocation to a space with enhanced energy efficiency controls, within the current premises, and the divestment of Tea Smallholder Factories PLC (TSFL) at the beginning of the year.
- The Financial Services industry group reported a reduction in energy consumption in absolute terms, resulting in an improvement in energy intensity.

Energy Management Initiatives

Consumer Foods

- CCS implemented a project to enhance the energy efficiency of the refrigeration system, delivering an estimated 8–10% reduction in energy consumption, equivalent to ~60,000 kWh of annual electricity savings.
- An automated chilled water bypass circulation system was introduced for ammonia chillers to optimise temperature-controlled water flow and improve energy efficiency through process automation, resulting in an annual energy savings of 5,316 kWh.
- Conveyor speeds in the hardening tunnel were increased to reduce processing time while maintaining product quality, driven through cross-functional collaboration, achieving annual energy savings of 51,979 kWh.
- CICL installed a Variable Frequency Drive (VFD) for the chiller air handling unit fan to enhance motor efficiency and optimise energy consumption in production air conditioning systems, delivering annual energy savings of 98,912 kWh.

Leisure

- Cinnamon Grand Colombo implemented the Central Kitchen Refurbishment initiative, resulting in a reduction of ~0.85 kg of GHG emissions footprint per guest night and a reduction of 2,044GJ of energy consumption during the 2025/26. Through optimised workflow and consolidation of refrigeration units it is estimated to reduce energy consumption from kitchen operations by 20%, translating to ~ Rs10.2 million.
- Cinnamon Bey Beruwala strengthened energy monitoring and management by installing dedicated kWh meters across high-demand areas enabling improved tracking and optimisation of electricity consumption. ~99% of high-demand electricity usage is monitored, enhancing data-driven energy management.

Refer respective Industry Group section for sector-level strategies in mitigating CRROs – page 167 onwards.

GHG Emissions Footprint

18%
increase in GHG emissions footprint

28%
decrease in GHG emissions footprint per Rs.million of revenue

Group GHG Emissions Footprint Performance

Group Performance	2025/26	2024/25*	2023/24*
Direct GHG emissions – Scope 1 (tCO_2e)	68,466	59,683	44,538
Indirect GHG emissions – Scope 2 (tCO_2e)	118,494	98,867	85,309
Total GHG emissions footprint (tCO_2e)	186,959	158,549	131,700
Total GHG emissions footprint (tCO_2e) per Rs.million of revenue	0.34	0.48	0.47
Other joint ventures and associates – Scope 1 (tCO_2e)**	586	-	-
Other joint ventures and associates – Scope 2 (tCO_2e)**	755	-	-
Biogenic GHG emissions from combustion of biomass (tCO_2e)	2,110	3,384	1,443

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

The Group's GHG emissions footprint is reported in tonnes of carbon dioxide equivalent (tCO_2e), using standard emission factors and Global Warming Potentials (GWPs), shown below.

The following emission factors were applied in the calculation of Scope 1 and Scope 2 GHG emissions during the reporting period.

	Description	Unit	Emission Factor			Source
			CO_2 (kg/TJ)	CH_4 (kg/TJ)	N_2O (kg/TJ)	
Scope 1	Diesel (Stationary and Mobile)	GJ	74,100	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	Petrol (Stationary and Mobile)	GJ	69,300	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	Furnace Oil	GJ	77,400	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	LPG	GJ	63,100	1	0.1	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 2	Electricity	kWh	0.6482 kg CO_2/kWh			Energy Balance 2022 - Sri Lanka Sustainable Energy Authority

**Fuel consumption is converted from GJ to TJ for emission calculations (1 TJ = 1,000 GJ).*

The Group's primary source of carbon emissions arises from electricity consumption sourced from the national grid which contributes to Scope 2 emissions, while the use of diesel, furnace oil, LPG, petrol, and jet fuel across operations contribute to Group's Scope 1 emissions. Non-material emission sources have been excluded from the emissions calculation.

NATURAL CAPITAL REVIEW

Emission Contribution by Source (% of total tCO_2e)

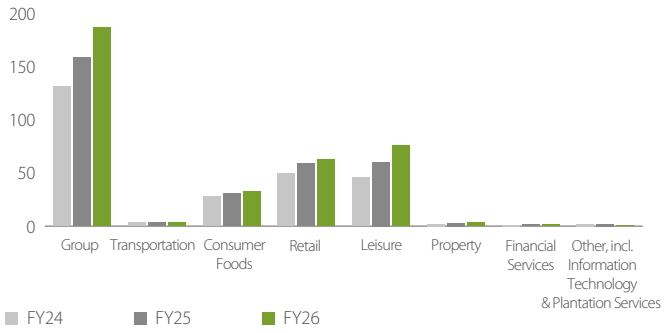
63% Electricity	**9%** Diesel
1% Petrol	**3%** Furnace Oil
2% LPG	

The Group measures and reports Scope 1 and Scope 2 emissions in accordance with the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. Scope 2 emissions are calculated using the location-based method, and the reporting boundary follows the operational control approach, for all subsidiary companies and the equity share approach for equity accounted investees of the Group.

Scope 3 emissions have not yet been quantified due to limitations in data availability and the need to establish robust and consistent measurement methodologies across the Group. The Group continues to strengthen its data management systems and processes with a view to enabling more comprehensive Scope 3 emissions measurement and reporting in future reporting periods.

The Group has established a Steering Committee to support the assessment and development of Group-wide targets for energy and GHG emissions, which is currently underway. Over the past seven years, the Group has made significant progress against its previously established GHG targets. However, in light of the scale of growth and expansion since the 2018 baseline year, evolving climate-related disclosure requirements, and the increasing emphasis on science-based target setting, the Group is reviewing and recalibrating its emissions targets.

GHG Emissions Footprint by Industry Group
(CO_2e MT '000)



"Over the past seven years, the Group has made significant progress against its previously established GHG targets. However, in light of the scale of growth and expansion since the 2018 baseline year, evolving climate-related disclosure requirements, and the increasing emphasis on science-based target setting, the Group is reviewing and recalibrating its emissions targets."

GHG Emissions Footprint per Rs.million of Revenue
(CO_2e kg per Rs.million)



For purpose of comparability, given the diversified nature of the Group, the GHG emission intensity performance has been considered based on a common denominator of Rs.million of revenue.

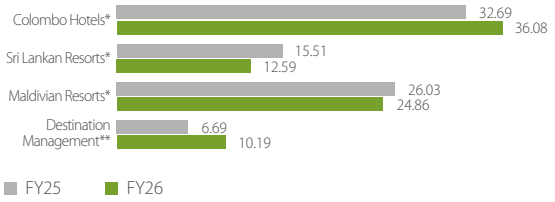
An increase in carbon emissions was recorded at Group level in 2025/26, primarily driven by higher energy consumption across the Consumer Foods, Leisure, and Retail industry groups, consistent with the operational changes outlined in the energy consumption section.

When assessed relative to Rs.million of revenue generated, Group carbon intensity declined, supported by revenue growth across key sectors particularly within Property and Retail, where higher contributions from the New Energy Vehicles business helped improve emissions intensity, alongside ongoing energy efficiency initiatives.

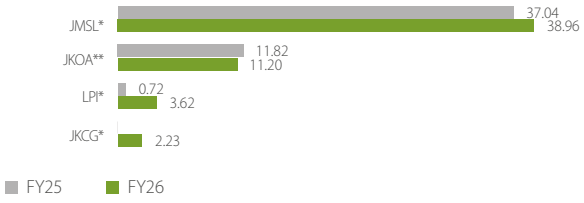
To depict a more relevant industry group intensity performance, business level performances based on their relevant intensity factors are presented in the ensuing section.

GHG Emissions Footprint per Operational Intensity Factor in Industry Groups

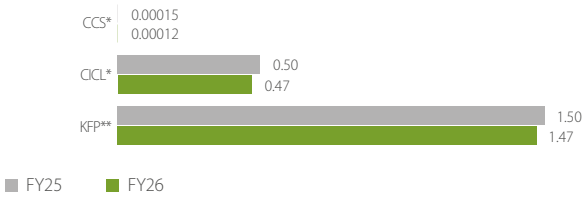
Leisure
(*CO_2e kg per guest night/**CO_2e kg per client serviced)



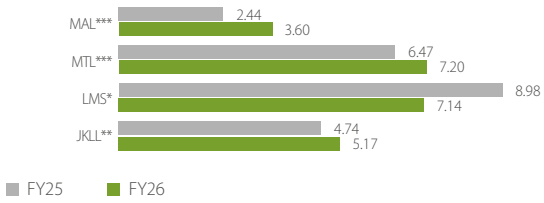
Retail
(*CO_2e kg per sq. ft. outlet area/**CO_2e kg per sq. ft. of office space)



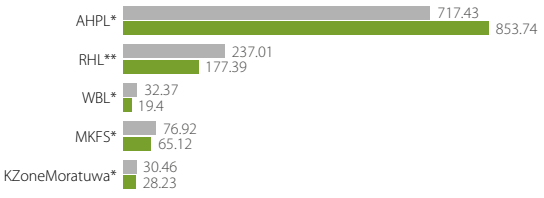
Consumer Foods
(*CO_2e kg per liter produced/**CO_2e kg per kg of processed meat produced)



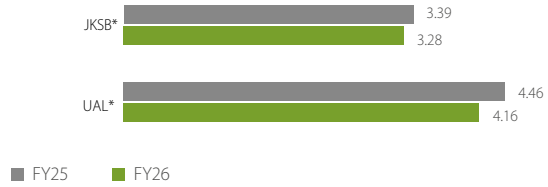
Transportation
(*CO_2e kg per MT of bunkers sold/**CO_2e kg per flight hour/***CO_2e kg per sq. of warehouse managed)



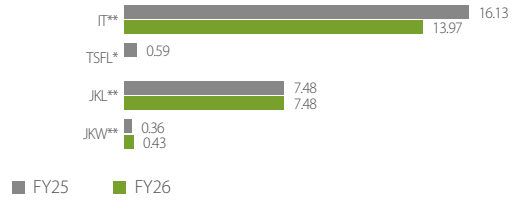
Property
(*CO_2e kg per sq. ft./**CO_2e kg per guest night)



Financial Services
(*CO_2e kg per sq.ft of office space)



Other, incl. Information Technology and Plantation Services
(*CO_2e kg per kg produced/**CO_2e kg per sq.ft)



At an operational level, performance varied across industry groups.

» Within the Leisure industry group, the Colombo Hotels sector recorded an increase in emissions per guest night, largely reflecting the expansion of Cinnamon Life, including mall operations, and higher occupancy levels.

» In the Retail industry group, JMSL and LPI reported an increase in emission intensity per square foot, driven by the increased operations and emissions of its newer outlets, which in turn contributed to the overall increase in the industry group's GHG emissions footprint.

» The Consumer Foods industry group recorded an overall improvement in GHG emissions footprint intensity, with CCS, CICL and KFP all reporting declines during the year, primarily driven by higher production volumes and measures taken to reduce energy consumption.

» Within the Transportation industry group, LMS recorded a decline in emission intensity primarily driven by a growth in the volume of bunkers. Other businesses saw an increase in emissions intensity, partly influenced by the change in energy consumption across shared office space.

» Within the Property industry group, AHPL recorded an increase in emissions intensity, primarily due to the inclusion of refrigerant emissions in the GHG emissions footprint during the reporting period, which were not accounted for previously.

» Financial Services and Other segments, including Information Technology and Plantation Services sector reported improvements in emissions intensity while an absolute emission reduction was observed following the divestment of TSFL.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant business units against SASB Standards – page 398.

Emission Reduction Initiatives

Consumer Foods

» A flash steam recovery system was implemented in furnace oil boilers to improve condensate recovery and improve boiler efficiency, reducing fuel consumption and delivering savings of 39,338 litres of furnace oil during the year.

Leisure

» Cinnamon Grand Colombo continued reusing cooking oil as boiler fuel, managing waste while reducing furnace oil consumption, with 14,327 litres repurposed during the year.

» Walkers Tours continued the use of carbon-neutral certified vehicles and 48 buses equipped with Selective Catalytic Reduction (SCR) systems using AdBlue to reduce nitrogen oxide (NOx) emissions. Investments in electric vehicles (EVs) further contributed to lowering travel-related emissions across operations.

Total Energy and GHG Emission Reductions by Source

Source of Energy	Reduction* Aligned to Current Usage	Initiatives Contributed for the Reduction
Electricity	437,458 kWh	284
Furnace Oil	66,972 l	206

**Reductions are calculated on baseline year 2024/25.*

Renewable Energy

Renewable energy accounted for ~6% of the Group's total energy consumption during the reporting period. The Group continues to expand on site solar generation across energy-intensive operations, supporting emissions reduction while strengthening energy resilience and long term cost stability. Increased adoption of renewable energy also reduces the dependence on grid electricity and fossil fuel-based energy sources, reinforcing its transition towards a lower-carbon operating model.

Investment in renewable energy has been identified as a CRRO within the Group's energy transition strategy. While requiring upfront capital expenditure, solar installations help mitigate exposure to grid price volatility, lower operating energy costs, and contribute to more stable long term cash flows. Through its GHG and Energy Management ambition, the Group continues to assess opportunities to scale renewable energy deployment across suitable operations.

90,539 GJ
of renewable energy

8%
of energy generated through renewable energy sources

Renewable Energy Initiatives

Leisure

» Cinnamon Dhonveli Maldives, Ellaidhoo Maldives by Cinnamon and Cinnamon Lakeside Colombo continued using renewable energy in the form of solar power as part of their energy usage.



Solar panel installation at Cinnamon Dhonveli Maldives.

Retail

» Keells supermarkets installed rooftop solar systems across three outlets, with a total installed capacity of over 400 kW. The business aims to meet ~ 25% of the total electricity consumption of the supermarket chain through self-generated renewable energy.

Emissions from Refrigerants and Ozone-Depleting Substances

Refrigerant emissions are calculated based on annual top-up quantities and equipment servicing records. The contribution of refrigerant emissions to the Group's Scope 1 GHG emissions have been obtained by applying the Global Warming Potential (GWP) factors in accordance with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). The CFC-11 equivalent emissions of Ozone Depleting Substances have been obtained by applying the Ozone Depleting Potential (ODP) factors in accordance with the Vienna Convention for the Protection of the Ozone Layer (1985) and the Montreal Protocol (1987) supported by the United Nations Environment Programme.

Types of Refrigerants	GHG Emissions in tCO_2e	Emissions of ODS in CFC-11 equivalent (MT)
R22	2,848	0.0798
R32	368	N/A
R404	20,029	N/A
R407	3,200	N/A
R410	5,740	N/A
R134A	1,713	N/A
R507	6,680	N/A
R417	58	N/A
Total	40,648	0.0798

Note: R22 is an ozone-depleting refrigerant (HCFC), while the other refrigerants listed have zero ozone depletion potential but contribute to GHG emissions.

At Group level, initiatives are undertaken to transition towards lower impact refrigerants, with a focus on phasing out ozone-depleting substances. This is supported through system upgrades and procurement practices alongside strengthened maintenance to minimise leakages and improve efficiency, thereby reducing the contribution of such refrigerants on the Group's Scope 1 GHG emissions footprint.

Refrigerant Emission Reduction Initiatives

Consumer Foods

» Ceylon Cold Stores implemented a cold room optimisation project involving the upgrade of its refrigeration system and the replacement of R22 refrigerant with R507 to eliminate the use of ozone-depleting substances, achieving 100% reduction in ozone depletion potential while delivering an estimated annual energy saving of 60,000 kWh.

Leisure

» Cinnamon Lodge Habarana implemented an R22 refrigerant replacement programme, transitioning guest room split air-conditioning systems to R134A refrigerant without the need for compressor replacement or major component changes.

WATER AND EFFLUENT MANAGEMENT

Water is a critical and an increasingly scarce resource that supports ecosystems, communities, and economic activity. Given the reliance of several of the Group's operations on water for operational continuity, responsible water management remains a key consideration. Reflecting its operational relevance and evolving stakeholder expectations, water stewardship has been identified as a material impact topic for the Group.

Several of the Group's operations depend on reliable access to water resources and effective wastewater management systems, particularly within water intensive industry groups such as Consumer Foods and Leisure. Accordingly, changes in water availability, declining water quality, and evolving regulatory requirements on wastewater discharge may influence operational efficiency, compliance obligations, and costs associated with water sourcing, treatment, and related infrastructure. These considerations reinforce the importance of a structured approach to water and effluent management across the Group's value chain.

Water related impacts are most evident in businesses where water is integral to core operational processes.

» Within the Hotel Management Business, water is essential for guest services, food preparation, cleaning, and landscaping. In water stressed regions of Sri Lanka's dry zone, higher water demand may place additional pressure on local water resources. In the Maldives, limited natural freshwater availability necessitates reliance on desalination and reverse osmosis systems, which increase energy and resource consumption and resource intensity. These conditions may also create exposure to water availability risks and increased operational costs associated with water sourcing and treatment.

» Water serves as a critical input across the Consumer Foods industry group, particularly in the production of carbonated soft drinks, confectionery, and convenience foods. It also plays a vital role in manufacturing processes, sanitation, and cooling, while supporting product quality and food safety standards. Manufacturing activities generate wastewater that requires appropriate treatment prior to discharge in order to safeguard surrounding water bodies and ecosystems. Ineffective wastewater management may give rise to regulatory compliance risks and associated cost implications.

These operational dependencies and impacts may also give rise to water related risks and opportunities across industry groups, particularly where water availability, treatment capacity, and evolving regulatory requirements influence operational continuity and cost structures.

Effective water stewardship and wastewater management therefore remain critical to supporting business resilience, ensuring regulatory compliance, and managing costs related to water use and treatment across the Group's operations.

Management of Water and Effluent Impacts

The Group manages water and effluent related impacts through a combination of operational controls, infrastructure investments, and monitoring systems, guided by a Group Water Management Policy that sets expectations for responsible water use and wastewater management across sectors.

Group Water Management Policy

The Group's water management policy aims to conserve and optimise water usage across its operations. Where feasible, the Group seeks to reuse treated wastewater within its operations with a view to reducing the intake of freshwater.

Across operations, priority is given to the adoption of water efficient equipment, process optimisation, and efficient plumbing infrastructure to reduce water consumption at source. The Group's primary sources of water withdrawal include groundwater, seawater, surface water bodies, and water obtained from the National Water Supply and Drainage Board (NWSDB).

Water consumption is monitored on a daily basis at facility level, supported by internal reporting mechanisms that allow operational teams to identify usage trends and identify opportunities to address inefficiencies. Water withdrawal is tracked using divisional and inlet water meters, while wastewater discharge is measured through metre readings and estimated calculations based on pump operating hours. Staff awareness programmes and operational guidelines further reinforce responsible water use practices across business units.

Where applicable, environmental management systems such as ISO 14001, and sustainability certifications including Travelife for accommodation operations, provide structured frameworks for monitoring environmental performance and driving continuous improvement in water stewardship.

The steering committee appointed to overlook water stewardship, is currently reviewing water management practices and assessing baseline data to support the development of water related goals at both Group and sector-level, strengthening governance and accountability in water management.

Wastewater generated from operations is treated through dedicated treatment systems, including effluent treatment plants (ETPs) and sewage treatment plants (STPs), prior to discharge to the environment or directed to municipality drainage and ground soakage pits where such discharge is required and approved by relevant regulations. These systems operate in accordance with standards stipulated under Environmental Protection Licenses (EPL), Marine Environment Protection Licenses (MEPL) issued by relevant authorities, and discharge requirements mandated by the Board of Investment (BOI) for facilities located within BOI zones.

Business units conduct periodic effluent discharge testing to monitor parameters such as pH, Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS) and Oil and Grease levels. Compliance with these standards ensures that effluent quality remains within regulatory thresholds designed to protect receiving water bodies and surrounding ecosystems. No incidents of non-compliance with discharge limits were recorded during the reporting period.

In line with disclosure requirements, the Group continues to strengthen its water accounting practices. While water withdrawal and consumption are systematically monitored, the change in water stored within on-site storage facilities are in the process of being recorded and will be reported in the forthcoming years.

In addition to treatment and compliance mechanisms, the Group continues to implement water efficiency and reuse initiatives across sectors, including initiatives such as reuse of treated wastewater, greywater recycling, rainwater harvesting and process water optimisation, aimed at reducing freshwater withdrawal and improving water use efficiency across operations.



Wastewater treatment plants at JKCG service stations.

Management of Water and Effluent related Risks and Opportunities

While the Group continues to strengthen water management practices across its operations, water related risks and opportunities may still arise due to the various water intensive nature of certain sectors, as well as the exposure to changing environmental, climate and regulatory conditions. These risks may originate from both operational dependencies on clean water resources and external pollution related factors. Climate induced physical risks such as drought and floods may create variability in clean water availability. The brand reputation risks and risks arising from communities and other pressure groups due to water scarcity in locations of operations, were also considered by the Group.

Accordingly, the Group has identified water scarcity and deterioration of water quality as a sustainability-related risk and opportunity (SRRO) at the Group level. In parallel, efficient effluent and wastewater management is recognised as a key opportunity under this SRRO, given its potential to enhance water resilience and resource efficiency, ensure regulatory compliance, reduce environmental impacts, and support water reuse across operations. These risks are evaluated within the Group's broader operational planning and environmental management framework, where potential implications for operational continuity, regulatory compliance, and cost structures are assessed.

Within the Consumer Foods industry group, water and wastewater management has been identified as an SRRO reflecting the water intensive nature of manufacturing processes. Key manufacturing facilities, including the Pannala and Ekala factories, rely on consistent water availability and effective wastewater treatment systems to ensure production continuity and meet regulatory discharge requirements. Variability in clean water availability resulting from acute physical risks of climate change, such as adverse weather events, as well as long term potential water scarcity arising from chronic physical risks of climate change including rising heat levels and droughts, may place operational pressures on the facilities. In addition, rising costs associated with water sourcing and treatment, alongside tightening wastewater discharge regulations, may create operational pressures and increase compliance related expenditure.

To mitigate these risks, the industry group maintains continuous operational monitoring of water consumption and effluent quality, supported by preventive maintenance programmes for effluent treatment plants and related infrastructure. Deviations from established operational parameters are addressed through corrective action protocols, supporting regulatory compliance while minimising potential disruption to manufacturing operations.

In addition, sustainable water governance and recycling systems have been identified as an SRRO within the Consumer Foods industry group. As part of its adaptation measures, the business is currently assessing the feasibility of utilising an existing water well at the Pannala facility as a supplementary water source, which would reduce reliance on new water abstraction points. The industry group is also undertaking upgrades to the potable water treatment plant at Pannala, aimed at improving treatment efficiency and strengthening water supply reliability for manufacturing operations.

In the Leisure industry group, within the Sri Lankan and Maldivian Resorts segments, water availability and stress has been identified as SRROs. These risks may be triggered by acute physical risks of climate change in the short term and chronic physical risks of climate change in the medium to long term given the sector's reliance on consistent water supply to support resort operations.

Variability in water availability, particularly in water-stressed regions such as Sri Lanka's dry zone, may disrupt operations and lead to increased costs associated with water sourcing, treatment, and supporting infrastructure. The resort operations in the Maldives rely heavily on desalination and reverse osmosis systems, making water availability partially dependent on the reliability, energy requirements, and operational efficiency of these systems.

To address these risks, the sector focuses on strengthening water security and supply resilience, including maintaining the operational reliability of desalination and reverse osmosis systems, enhancing water storage and treatment capacity where necessary, and implementing contingency measures to ensure service continuity during periods of water supply stress.

Furthermore, supplier assessments of key supply chain partners in businesses with significant water usage form an integral part of the Group's water management approach. These assessments support the identification and mitigation of water related impacts, promote adherence to applicable regulatory requirements, and reinforce responsible water stewardship across the Group's supply chains.

Refer SLFRS S1 and S2 Disclosures section and the respective industry group sections for further details on water-related SRROs and CRROs identified at the Group and the industry group-level.

Group Water Performance

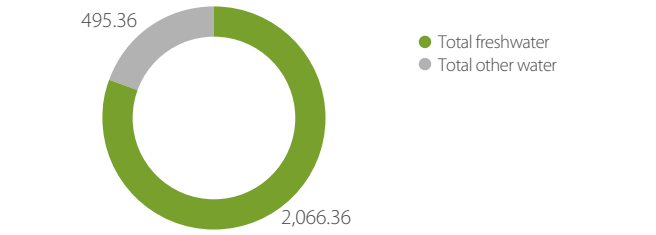
Group Performance	2025/26	2024/25*	2023/24*
Water withdrawal (ML)	2,564	2,280	2,207
Water withdrawal (m^3) per Rs.million of revenue	4.70	6.89	7.87
Water discharge (ML)	1,643	1,114	1,099
Water consumption (ML)	921	1,166	1,109

** 2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

The 2025 Aqueduct Analysis by the World Resources Institute indicates that Sri Lanka experiences medium to high levels (20–40%) of water stress. As all of the Group's business units operate within these regions, 100% of Group's water withdrawal, consumption, and discharge occurs in water-stressed areas, with zero water withdrawal, consumption, and discharge occurring in non-water-stressed areas.

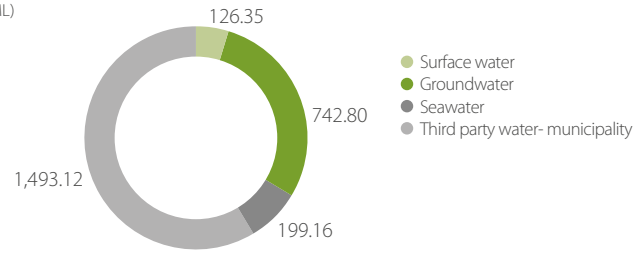
Water Withdrawal by Type

(ML)



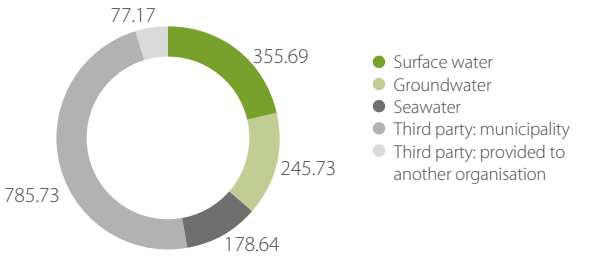
Water Withdrawal by Source

(ML)



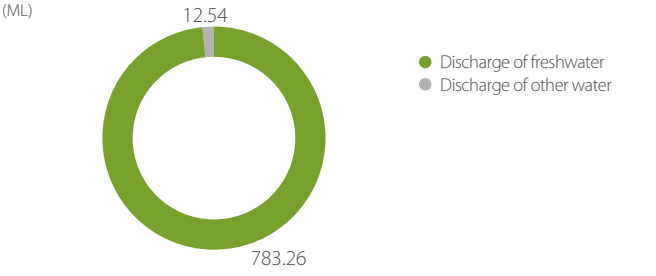
Water Discharge by Method

(ML)



Water Discharge by Category

(ML)



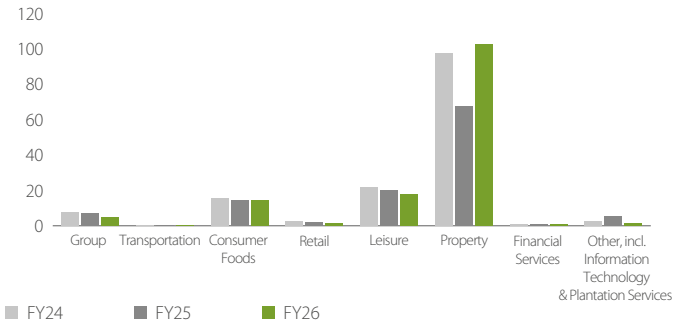
Water Withdrawn by Group and Industry Groups

(m^3 '000)



NATURAL CAPITAL REVIEW

Water Withdrawal (m^3) per Rs.million of Revenue
(m^3 per Rs.million)



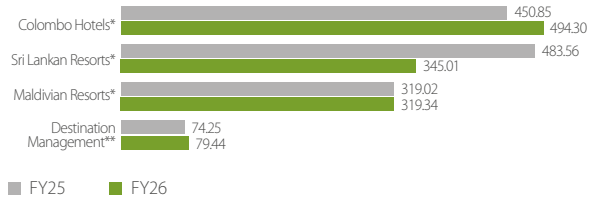
For purpose of comparability, given the diversified nature of the Group, the water intensity performance has been considered based on a common denominator of Rs.million of revenue.

Water withdrawal increased at Group level in 2025/26 by 12%, mainly due to higher usage across the Leisure, Consumer Foods, and Retail industry groups as operations expanded. Despite this, water intensity per Rs.million of revenue remained broadly stable.

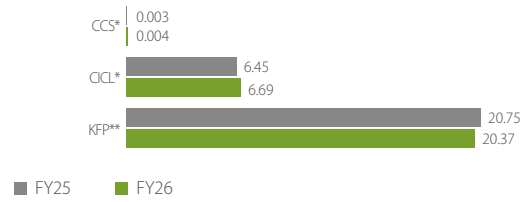
To depict a more relevant industry group intensity performance, business level performances based on their relevant intensity factors are presented in the ensuing section.

Water Withdrawal per Operational Intensity Factor of Industry Groups

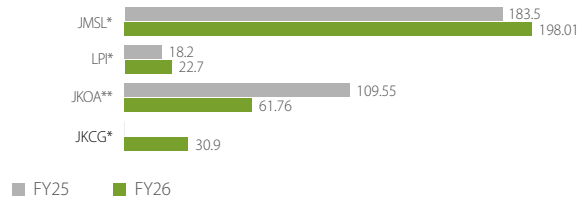
Leisure
(*Litres per guest night/**Litres per client)



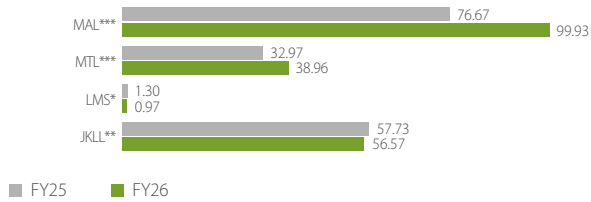
Consumer Foods
(*Litres per litre produced/**Litres per kg of processed meat produced)



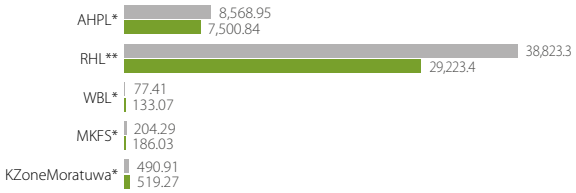
Retail
(*Litres per outlet area/**Litres per office area)



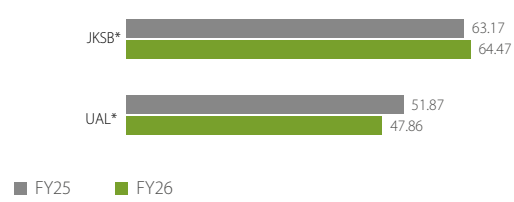
Transportation
(*Litres per sq. ft. of warehouse managed /**Litres per sq. ft. per MT sold/***Litres per sq. ft. of outlet area)



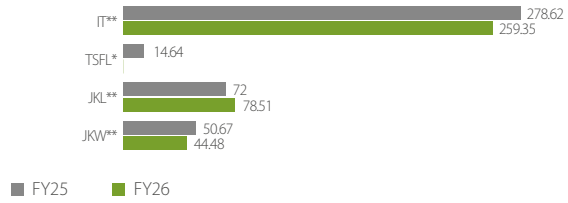
Property
(*Litres per sq. ft. of outlet area/office area/**Litres per guest night)



Financial Services
(Litres per sq. ft. of office area)



Other, incl. Information Technology and Plantation Services
(*Litres per kg produced/**Litres per sq. ft.)



- Within the Leisure industry group, absolute water consumption increased with Colombo Hotels sector showing an increase in water intensity per guest night driven by the full operations of Cinnamon Life, a luxury proposition, including the addition of the mall. In contrast, Sri Lankan Resorts recorded a significant improvement in water consumption per guest night, reflecting the impact of water-saving measures implemented across resorts.
- The Consumer Foods industry group maintained stable water intensity levels, supported by efficient water management alongside volume growth.
- The Retail industry group recorded an increase in water consumption, in line with operational expansion during the year specifically in the Supermarket business.
- The Property industry group reported an increase in absolute water consumption. However, water intensity improved across most business units, reflecting operational efficiencies, higher golf resort operations at RHL, despite increased water utilisation across premises.
- The Transportation and Financial Services industry groups remained broadly stable, with Transportation industry group recording a minor reduction in absolute water consumption, while Financial Services maintained low water usage with no significant change during the year.
- Information Technology sector recorded an overall improvement in water intensity driven by water conservation initiatives implemented across shared office premises along with efficient space utilisation.
- Plantation Services industry groups recorded an overall improvement in water consumption arising from the divestment of TSFL.

Refer SLFRS S1 and S2 Disclosures section in this Report for performance of relevant business units against SASB standards – page 398.

Water and Effluent Management Initiatives

Consumer Foods

- Ceylon Cold Stores invested in an automated chilled glycol isolation system at its production facility to optimise Plate Heat Exchanger (PHE) cooling during plant stoppages, reducing continuous groundwater discharge previously estimated at 6,720 m^3 over a two-month period.
- The business also implemented a groundwater optimisation system using automated glycol isolation during plant stoppages to reduce unnecessary water discharge and improve overall water efficiency, delivering a total water savings of ~23,250 m^3 during the reporting period.
- Colombo Ice Company enhanced ETP efficiency and discharge quality by installing a Dissolved Air Flotation (DAF) unit, significantly improving removal of fats and suspended solids from ice cream effluent thereby eliminating downstream fat accumulation and improving the quality of wastewater discharge.
- Keells Food Products initiated a backwash water reuse project at the Pannala facility, enabling treated filter backwash water to be reused for potable or utility purposes.

Retail

- JKCG service centres in Wattala implemented a water reuse system to treat internally generated wastewater and reuse it for non-potable applications, including flushing and irrigation. Any excess treated water is discharged to external drainage systems in compliance with applicable regulatory requirements. On average, the system treats ~826 m^3 of water per month.

Leisure

- Habarana Village by Cinnamon implemented water efficiency measures targeting gardening activities to reduce groundwater consumption, including the installation of water sprinklers, flow arrestors, and rectification of water leakages, contributing to groundwater savings of ~924 m^3. Further, comprehensive water audits were conducted by The Climate & Conservation Consortium (CCC) at Cinnamon Wild Yala and Cinnamon Bey Beruwala.
- At Cinnamon Velifushi Maldives, a greywater recycling initiative was introduced with the installation of additional bag filtration to improve treated water quality. Recycled water from the resort's sewage treatment plant system is now reused for irrigation across multiple garden landscaped areas.
- Cinnamon Hakuraa Huraa Maldives introduced an initiative to reuse air conditioning condensate and harvested rainwater, which are treated through UV and micron filtration and reused for non-potable applications.
- All hotel properties across Sri Lanka and the Maldives continue to promote water conservation through in-room guest communication, including signage encouraging prudent water consumption and the voluntary reduced frequency of linen and towel changes.

Refer respective Industry Group sections for further information on significant sector specific water conservation initiatives and strategies towards mitigating water-related SRROs and CRROs – page 167 onwards.

WASTE AND PACKAGING MANAGEMENT

Waste and packaging management is an important consideration for the Group, given the environmental, operational, regulatory, and reputational implications associated with waste generation across its operations. Activities across businesses give rise to various waste streams, including organic waste, packaging materials, sludge and other operational waste. If not effectively managed, these waste streams may result in environmental pollution, increased landfill disposal, inefficient resource use, and heightened exposure to regulatory non-compliances and reputational risk.

17%
decrease in waste intensity per Rs.million of revenue

57%
of total non-hazardous waste either recycled or reused by Group companies and through third-party contractors

99%
of total hazardous waste generated and disposed through authorised third-party contractors for reuse, recycling or recovery of components

Considering the scale of waste generation across several operations and increasing regulatory and market expectations surrounding waste reduction and packaging circularity, waste and packaging management has been identified as a material impact topic for the Group. Waste generation is particularly significant within the Consumer Foods, Retail, and Leisure industry groups due to the nature of their operations and packaging requirements.

Accordingly, the Group has identified the risk of inadequate infrastructure and facilities for waste disposal leading to landfill dependency, including challenges associated with disposing plastic, packaging and hazardous waste and meeting Extended Producer Responsibility (EPR) requirements, as an SRRO at the Group level.

Responsible waste and packaging management also presents opportunities to improve resource efficiency, support circular economy practices, reduce material consumption, and enhance stakeholder confidence in the Group's environmental stewardship. Improved waste management practices may also support operational efficiencies and cost optimisation across the value chain, while also ensuring responsible supply chains and reduction in Scope 3 carbon emissions through the engagement and encouragement of circularity practices by supply chain partners. In this context, cross-sector circular economy solutions present an opportunity for the Group to optimise resource use and reduce waste directed to landfill.

- Within the Consumer Foods industry group, packaging lifecycle management has been identified as a key SRRO. Inadequate management of post-consumer packaging may result in non-compliance with EPR requirements, potentially leading to regulatory penalties, increased compliance costs, and reputational impacts, while improved practices present opportunities to enhance regulatory compliance, improve resource efficiency, and strengthen brand value and stakeholder confidence.
- Packaging waste arising from product distribution, store operations, and supplier packaging practices presents both operational and reputational risks for the Retail industry group. Rising regulatory, consumer, and market expectations to reduce plastic usage and improve packaging recyclability may require changes to packaging specifications, enhanced supplier engagement, and strengthen operational waste management practices across retail operations.
- Within the New Energy Vehicle (NEV) business, end-of-life battery and charger management has been identified as a sustainability-related risk, as improper handling, storage, or disposal may lead to regulatory non-compliance and additional operational costs.

However, based on the mitigation measures currently in place across the relevant operations, these SRROs are assessed as low and financially immaterial at present. The Group intends to undertake quantitative financial impact assessments of these risks in future reporting periods as methodologies mature and data availability improve.

Refer respective Industry Group sections for further information on SRROs and CRROs identified by sectors – page 167 onwards.

Management of Waste and Packaging Impacts

The Group maintains a Waste Management Policy and a Hazardous Waste Management Policy, which provide guidance on the responsible handling, segregation, disposal, and regulatory compliance relating to waste generated across operations.

Group Waste Management Policy

This Policy is based upon the tenets of Reduce, Reuse, Recycle, and encourages employees to be conscious in consumption, and reuse and recycle, wherever possible.

Group Hazardous Waste Policy

The Group aims to responsibly manage and mitigate risks associated with hazardous waste through responsible waste management practices within the organisation.

At the Group level, a Steering Committee has been established to provide governance oversight of waste and packaging management initiatives across businesses. As part of this mandate, the Group is currently assessing waste management practices across its operations to establish a baseline and identify priority areas for improvement. This assessment will support the development of practical targets and initiatives focused on reducing plastic use and increasing the adoption of recyclable packaging materials across the Group.

The Group also engages with a broad range of internal and external stakeholders, including suppliers, packaging manufacturers, recyclers, and waste management partners, to explore alternative materials, innovative packaging solutions, and enhanced waste recovery mechanisms that support circularity across the value chain and strengthen the Group's approach to responsible waste and packaging management.

Several businesses within the Group operate under ISO 14001 certified Environmental Management Systems (EMS), which provide structured frameworks for identifying, monitoring, and managing environmental impacts including waste generation, segregation and waste handling practices. These systems support continuous improvement in waste management performance through operational controls, monitoring processes, and environmental compliance reviews. These structured frameworks are augmented by the Group's SMF, which is based on impact and risks identification, adherence to policy, data collection and management, internal reporting, and audit processes.

Across the Group, standardised processes for waste collection, segregation and measurement are in place, supported by staff awareness and training on responsible waste management practices. While the operational processes may vary at each business unit level to reflect business specific requirements, the core elements of the Group's waste approach remain intact. These include waste measurement and record keeping and disposal in accordance with applicable country regulatory requirements, all of which are embedded within the Group's overarching waste management strategy.

In addition, the Group's social entrepreneurship initiative, Plasticcycle, focuses on strengthening plastic waste collection and recycling outcomes while promoting responsible plastic use through partnerships with multiple stakeholders and community-level awareness and education programmes on responsible plastic disposal and recycling.

Across the Group, several waste management practices are implemented to address operational waste streams. These include structured waste segregation protocols, responsible disposal through licensed and authorised vendors, strengthened recycling initiatives, monitoring mechanisms to track waste generation, improve waste handling practices and regulatory compliance across operations.

The Consumer Foods industry group has implemented packaging optimisation initiatives to reduce material use and improve recyclability, including exploring potential options to transition frozen product packaging to recyclable plastic alternatives, while also strengthening its EPR initiatives across the island.

Waste management initiatives by the Leisure industry group primarily address waste generated through hotel and restaurant operations, including food waste and other operational waste streams. The industry group has further strengthened contractor oversight mechanisms and segregation by expanding waste separation beyond primary categories to divert waste from landfill and enable on-site processing such as composting and compacting wherever operationally feasible. Some of the initiatives that are being evaluated include identifying responsible disposal methods for ceramic waste in certain areas of Sri Lanka, where such options are currently unavailable.

Within the Supermarket business, initiatives focus on managing packaging waste generated through store operations and diverting food waste from landfill, through programmes such as the Perfectly Imperfect initiative.

Management of Waste and Packaging Related Risks and Opportunities

The Group manages waste and packaging related risks through a combination of Group level governance frameworks and sector-level operational controls aimed at ensuring regulatory compliance, promoting responsible waste handling practices, and providing effective oversight of waste management practices across operations.

At the Group level, waste management practices are supported through environmental governance structures, monitoring mechanisms, and compliance frameworks which enable the identification and management of potential regulatory, operational, and reputational risks associated with waste generation and disposal.

Risk management within the Consumer Foods industry group focuses on maintaining structured waste management systems across manufacturing operations. This includes continuous monitoring and responsible disposal of waste through licensed and authorised vendors, packaging compliance checks, and staff training on applicable regulatory requirements. Engagement with packaging suppliers and recyclers further supports alignment with evolving packaging lifecycle expectations, including emerging EPR requirements.

In the Leisure industry group, hotel operations generate relatively high volumes of food, plastic and wastewater sludge, requiring responsible handling through compliant and licensed waste management contractors. Established operational controls such as waste segregation and disposal audits and contracts with waste management companies mitigate potential regulatory, cost, and reputational risks. As a result, waste management and contractor compliance has been assessed as a low net risk SRRO, given the aforementioned operational controls deployed by the sector.

In the Retail industry group, risk mitigation focuses on strengthening supplier engagement and operational controls to support responsible packaging practices and compliance with environmental requirements across retail outlets and distribution operations. The NEV business has controls in place to manage end-of life battery and charger handling, storage, and disposal. Battery lifecycle management is integrated into standard operating procedures, supported by regular reporting and audits. Partnerships with vehicle manufacturers such as BYD and certified recycling partners are also augmented by vendor risk management processes to ensure compliance with required environmental standards. The vendor risks management processes include mandatory verification of regulatory licenses, including hazardous waste management and environmental compliance and periodic onsite audits and the verification of final disposal and recycling certificates, which are based on international frameworks and principal's standard operating procedures which are specifically designed for hazardous waste management.

Across businesses, electronic waste is disposed of through an authorised waste management service providers to ensure responsible handling and compliance with applicable regulatory requirements. Within the Bunkering business of the Transportation industry group, all oil and grease waste arising from bunkering operations as well as waste collected from customer vessels, is managed and disposed of in accordance with the Central Environmental Authority (CEA) and the Marine Environment Protection Authority (MEPA) guidelines.

Through these measures, the Group seeks to mitigate regulatory, operational, and reputational risks associated with waste and packaging management.

Group Waste Performance

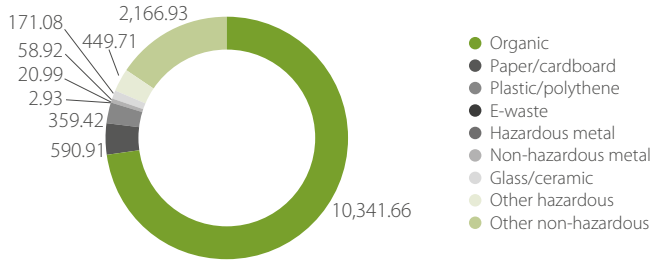
Group Performance	2025/26	2024/25*	2023/24*
Volume of hazardous waste generated (MT)	503	516	367
Volume of non-hazardous waste generated (MT)	13,690	9,895	9,245
Non-hazardous waste recycled/ reused by Group companies and through third party contractors (%)	5,724	4,724	4,756
Total waste generation (MT)	14,192	10,410	9,611
Total waste diverted from disposal (MT)	8,132	5,855	5,409
Total waste directed to disposal (MT)	6,061	4,555	4,202
Total hazardous waste diverted from disposal (MT)	495	502	365
Total hazardous waste directed to disposal (MT)	7	14	1
Total non-hazardous waste diverted from disposal (MT)	7,636	5,353	5,043
Total non-hazardous waste directed to disposal (MT)	6,053	4,542	4,201

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

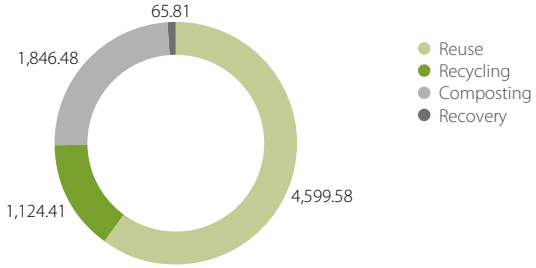
NATURAL CAPITAL REVIEW

Waste data is monitored and reported quarterly across all business units, capturing composition and treatment methods to support performance tracking. Data is primarily based on direct measurements, including invoices and records from contracted waste collectors and recyclers. Where direct measurements are not available, estimates are derived using standardised conversion factors and relevant operational metrics, with methodologies applied consistently and subject to periodic review.

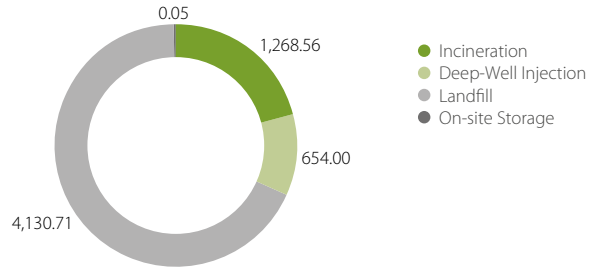
Waste by Composition
(MT)



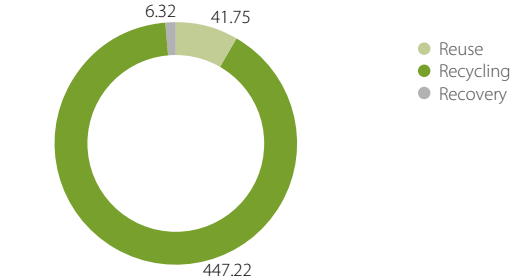
Non-Hazardous Waste Diverted (MT)
(MT)



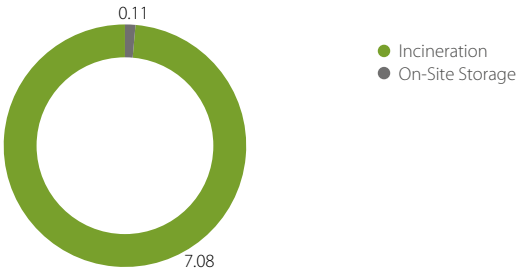
Non-Hazardous Waste Disposed (MT)
(MT)



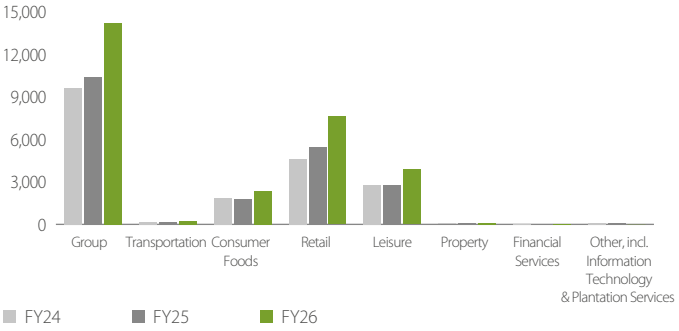
Hazardous Waste Diverted (MT)
(MT)



Hazardous Waste Disposed (MT)
(MT)



Waste Generated by Group and Industry Groups
(MT '000)



Waste Generated (MT) Per Rs.million of Revenue
(MT per Rs.million)



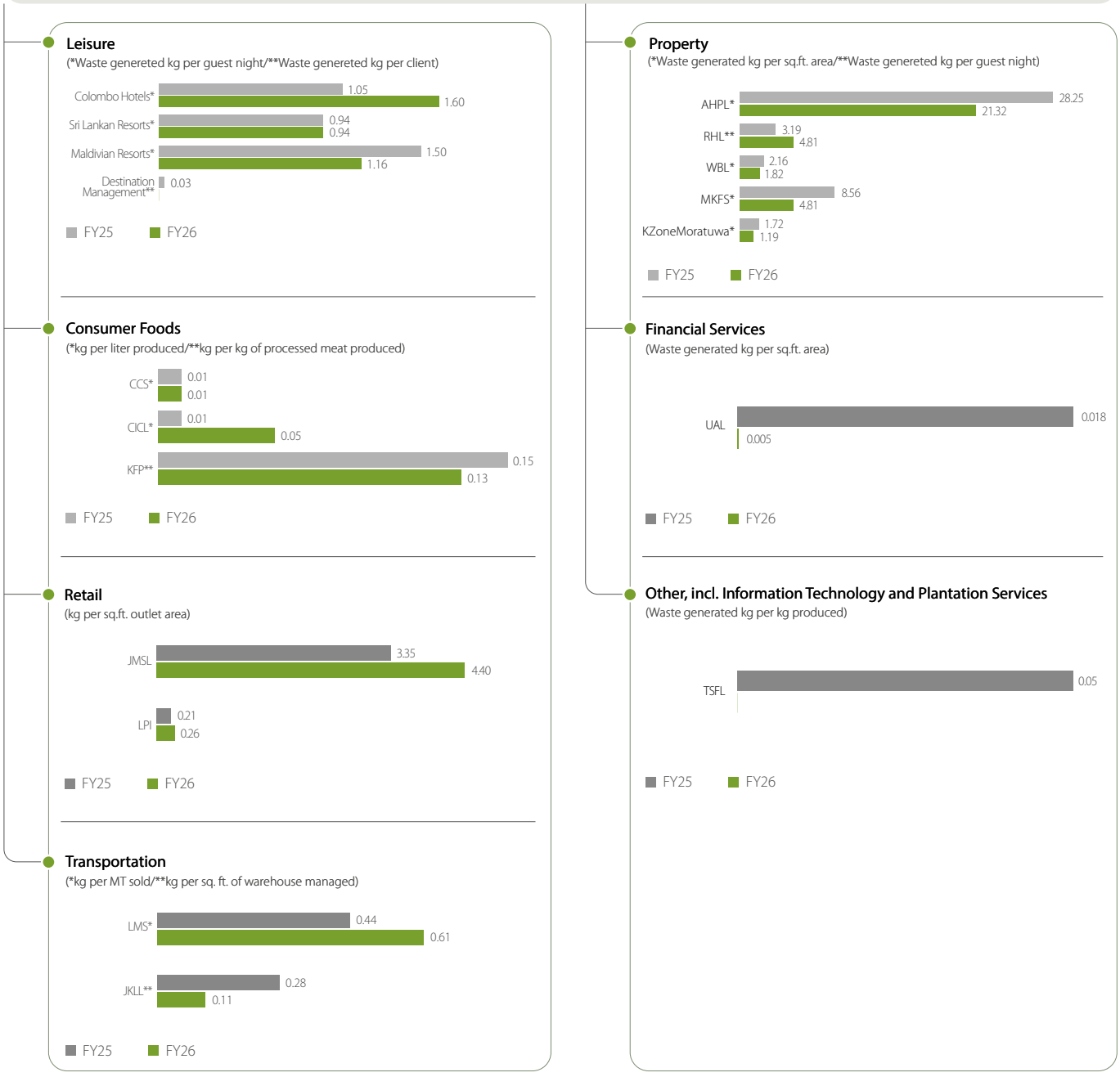
For purpose of comparability, given the diversified nature of the Group, the waste intensity performance has been considered based on a common denominator of Rs.million of revenue.

Group-wide waste generation increased in 2025/26 by 36%, primarily driven by higher volumes in the Retail, Leisure and Consumer Foods industry groups in line with increased operational activity. Contributions from Transportation, Property and Other including Information Technology and Plantation Services industry groups were comparatively lower.

On an intensity basis per Rs.million of revenue, waste intensity remained broadly stable at Group level, with variations across industry groups.

To depict a more relevant industry group intensity performance, business level performances based on their relevant intensity factors are presented in the ensuing section.

Waste Generated per Operational Intensity Factor of Industry Groups



» Retail industry group recorded an improvement in waste intensity, mainly due to higher revenue contributions from the NEV business, which generates comparatively low waste.

» Within the Leisure industry group, the Colombo Hotels sector recorded an increase in waste generated per guest night, largely reflecting the expansion of operations at Cinnamon Life hotel, including the opening of mall operations, as well as improved waste reporting and measurement from Q3 2024/25 onwards, resulting in a higher reported increase during 2025/26. In contrast, Maldivian Resorts segment recorded a reduction in waste intensity per guest night, supported by strengthened food waste monitoring systems and improved measurement practices.

» The Transportation industry group recorded an increase in waste intensity, primarily within logistics operations owing to a one-off incident during the year where a barge fire resulted in a temporary increase in waste generated, including waste arising from restoration activities.

» Property and Consumer Foods industry groups remained relatively stable, with only minor variations across operations.

» Waste from certain businesses within the Transportation and Other, including Information Technology and Plantation Services industry groups, is accounted for at the property level, as these offices operate within premises managed by the Property industry group. Accordingly, the waste generated by these businesses is reported under the Property industry group rather than within their respective industry groups.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant business units against SASB Standards – Page 398.

Plastic Waste Reduction

The Group implements targeted plastic waste management strategies across its sectors aiming at minimising the use of single-use plastics, promoting suitable alternatives, and strengthening recycling practices within operations

Consumer Foods

Within the Consumer Foods industry group, efforts are focused on improving packaging recyclability and strengthening packaging lifecycle management through active engagement with packaging suppliers and recyclers.

Key initiatives during the year included:

» Enhanced packaging circularity by converting Lemonade bottles from green to clear PET, enabling over 80 MT annually to shift into a higher value, widely recyclable material stream.

» Supporting plastic recovery and recycling efforts through the Gunadamin initiative, which is further detailed under the Extended Producer Responsibility section of this report.

» Reducing shrink wrap usage in beverage operations by introducing reusable wrapping cloths, cutting polythene consumption by ~1,690 kg and generating savings of ~Rs.1.0 million while maintaining pallet stability.

» Optimised pallet wrapping in cold room operations by reducing stretch film layers and investing in reusable pallet belts, lowering polythene use by ~6,171 kg and achieving savings of ~Rs.3.8 million.

» In addition to plastic packaging reduction efforts, the Consumer Foods sector collaborated closely with aluminium suppliers to transition from conventional B64 can lids to S-One (S1) lids, enhancing material efficiency while maintaining packaging integrity and recyclability. This shift reduces aluminium consumption and associated lifecycle emissions.

Retail

Plastic reduction initiatives within the Retail industry group focus on ensuring regulatory compliance while encouraging responsible consumer behaviour and reducing reliance on single use plastics.

Key initiatives included:

» Ensuring compliance with applicable regulations governing plastic bags and packaging across retail operations.

» Promoting the use of reusable shopping bags through customer-facing initiatives such as the Green Bag programme, which incentivises customers through discounts when reusable bags are used, thereby reducing dependence on single-use plastic bags.

» Installing in-store recycling points to encourage responsible plastic disposal and support consumer participation in recycling practices.

Keells Retail Impact

Sold, on average	**Used, on average**	Supporting
505,705	**23,565**	**~150,000**
reusable bags per month	boxes for packing per month	**instances of bag reuse monthly**



Leisure

Hotels within the Leisure industry group continue to reduce plastic consumption by replacing single-use plastic items with more sustainable alternatives across guest facing and operational areas.

Key initiatives include;

» Progressive phase out of single-use plastic packaging and guest amenities across hotel properties, resulting in 54.1% reduction in guest-facing single use plastics compared to the 2021 baseline.

» Introduction of refillable dispensers and bulk amenity systems in guest rooms.

» Replacement of plastic packaging in food and beverage operations with alternative materials, where feasible.

» Cinnamon Lodge Habarana implemented a reusable garbage bag initiative, repurposing discarded gunny bags from the water treatment plant into colour-coded waste segregation bags. This initiative reduced monthly polyethylene waste bag purchases from ~1,000 bags to 300 bags, significantly lowering single use plastic consumption.

Through these initiatives, the Group proactively manages the environmental impacts and risks associated with plastic waste, while responding to evolving regulatory requirements and stakeholder expectations.

Refer Extended Producer Responsibility section for further information – Page 85.

Food Waste Reduction

Food waste continues to be a key focus area across the Group, particularly within supermarket, hotels and manufacturing businesses, with targeted initiatives implemented to reduce waste at source and enhance diversion.

» Continued efforts across the Group to reduce food waste through responsible purchasing, improved demand forecasting, and enhanced inventory management, supported by ongoing food donation and diversion initiatives to minimise landfill disposal.

» Business units across the Leisure industry group sustained efforts to systematically segregate and measure food waste across restaurants, strengthening monitoring and reduction strategies and building awareness amongst employees.

» The Perfectly Imperfect produce range at Keells supermarkets promotes the sale of cosmetically imperfect yet consumable fruits and vegetables, contributing to an estimated 20–25% reduction in farm-gate waste since 2021 while supporting over 150 local farmers.

» In Consumer Foods industry group, waste ice cream was repurposed into animal feed, cumulatively diverting over 32,000 litres of waste ice cream from ETP, reducing organic waste, eliminating sludge disposal requirements, and lowering waste disposal costs.

Food Redistribution Programme

by Keells

83%
of surplus vegetables and fruits redistributed

250,000 kg
redistributed on average each month

218,501 kg
donated to individuals and animal welfare institutions



Perfectly Imperfect Vegetables Project

~833,119 kg of produce sold across **66** locations, reaching **484,123** customers

Paper Conservation

10,030 kg
of wastepaper generated by the business was recycled during the year.

Savings:

171
Fully Grown Trees

17,603 litres
of Oil

40,120 kwh
of Electricity

318,753 litres
of Water

30 m³
of Landfill

Reduction of GHG Emission by
14,040 kg
of Carbon Equivalent

E- waste Disposal

601.4 kgs
of e-waste was responsibly disposed of through a third-party service provider registered with the Central Environmental Authority of Sri Lanka.

EXTENDED PRODUCER RESPONSIBILITY

EPR is an emerging regulatory approach that places greater accountability on producers for the lifecycle management of packaging materials, including post-consumer waste. As regulatory expectations continue to evolve, the Group recognises the need to strengthen packaging lifecycle management practices and enhance material circularity across its operations.

The Group adopts a lifecycle-based approach to product and packaging management, encompassing production, use, and end-of-life considerations. This includes assessment of raw material and packaging to evaluate plastic recyclability and identify opportunities to improve recovery and reuse outcomes.

In support of these efforts, the Group has implemented initiatives aimed at improving plastic waste collection, recovery, and recycling. These include the Good Water initiative, which mitigates plastic leakage into waterways through the installation of plastic strainers. In addition, Plasticcycle, the Group's social entrepreneurship project, supports plastic waste collection and recycling, and Gunadamin by Elephant House, an initiative by the Consumer Foods industry group, promotes responsible plastic waste management and awareness.

Plasticcycle

Plasticcycle, the Group's Social Entrepreneurship initiative, continued its mission to significantly reduce plastic pollution in Sri Lanka. The initiative focuses on driving behavioural change by encouraging the reduction of single-use plastic, encouraging the reduction of single use plastic, strengthening responsible disposal practices through an extensive collection network, and promoting plastic recycling initiatives. Despite economic and environmental challenges, Plasticcycle remains committed to improving plastic waste recovery and supporting circular economy practices across communities.

Key Highlights

50 MT
of recyclable plastic waste, equivalent to Rs.**1.67 million** polyethylene terephthalate (PET) bottles were collected and channelled to responsible recycling and repurposing, during the year.

15
new recyclable plastic waste collection units were added to the national bin network, expanding accessibility and strengthening community-level disposal infrastructure.

Plasticcycle received the **Bronze Award** for 'Best Corporate Social Responsibility Website' at the BestWeb Awards 2025, recognising the project's commitment to transparent, impactful digital communication.

272.81 MT
total plastic collected since inception.

325
bins placed since inception.

Plasticcycle was featured as a case study on the World Economic Forum (WEF) website, emphasising its role as a pioneering sustainability initiative.

Awareness Creation

Plasticcycle expanded its community engagement and awareness building efforts during the year through a combination of digital campaigns, on ground activations, and knowledge sharing sessions. Key initiatives included nationwide awareness campaigns conducted in collaboration with the Ministry of Environment, public installations highlighting the impact of plastic pollution, and video campaigns promoting sustainable alternatives and responsible plastic disposal. Plasticcycle also participated in industry discussions on recycling innovations, while implementing outreach programmes to promote awareness of the principles of the 4Rs - Refuse, Reduce, Reuse and Recycle.

Innovation and Research

The Group continues to engage with Stenum Asia to identify opportunities to reduce the plastic footprint within the Keells Supermarket business. In addition, a research collaboration with the Wyss Institute is exploring biological solutions, including the use of plastic-degrading microorganisms, to support the breakdown of flexible plastic waste and advance long term recycling and recovery pathways.



The Plastic Monster art installation at Cinnamon Life Hotel.



Awareness session being conducted at the Open University of Kandy.

The John Keells Group GOOD WATER Initiative

The John Keells Good Water initiative aims to reduce water pollution arising from non-biodegradable waste entering Sri Lanka's waterways. The project focuses on preventing plastic and other floating waste from reaching the ocean through the installation of waste-capture strainers at key waterways. By intercepting waste upstream, the initiative contributes to reducing marine pollution while supporting improved solid waste management outcomes within surrounding communities.

Key Highlights

Total of
07
strainers deployed.

Colombo
- *Uttarananda road diversion – Kollupitiya*
- *Beira Lake East/ Laly Bridge – Slave Island*
- *St. Sebastian canal – Maradana, Pettah and Hulftsdorp*
- *Norris Canal diversion – Maradana*

Southern Province
- *Beruwala – Kalutara*

51 MT
Total waste diverted from entering the ocean in 2025/26

8,399 MT
Total waste diverted from entering the ocean since inception



Uttarananda road diversion – Kollupitiya



Beira Lake East/ Laly Bridge – Slave Island



Beruwala – Kalutara

Gunadamin by Elephant House

Gunadamin is a corporate social initiative led by the Group's Beverages and Confectionery businesses, addressing environmental and social priorities across their value chains. Established in 2021/22, the programme focuses on waste management, sustainable sourcing, and community engagement, with targeted interventions aimed at reducing plastic waste pollution. This initiative also incorporates social inclusion elements by creating employment and learning opportunities for women, while strengthening local recycling ecosystems through material recovery facilities (MRF) and public awareness programmes, on responsible waste management.

Key Highlights

12 MRF
centres established

300+
families empowered

2
Youth-led MRF centres

4
Women-led MRF centres

Successfully recovered
40%
of the total plastic produced during the year under review

78
Bins placed during 2025/26

484
Total bins since inception of the initiative

Total collections during the year 1,115 MT equivalent to
39.025 million
bottles

30 MT
of waste collected through cleanup programmes conducted at festivals and cultural sites



Collection of plastic from a public event.



Plastic waste being collected for recycling.

BIODIVERSITY AND ECOSYSTEM STEWARDSHIP

The Group recognises biodiversity and ecosystem integrity as critical to sustaining long term environmental stability, destination attractiveness, and business resilience. Several of the Group's operations, particularly within the Leisure industry group and related tourism services, are closely linked to the health of surrounding ecosystems, including coral reefs, marine lagoons, forests and wildlife habitats.

Healthy ecosystems underpin key business offerings such as marine recreation, wildlife experiences and nature tourism. Consequently, ecosystem degradation arising from climate change, habitat loss, or biodiversity decline may adversely affect destination appeal, disrupt visitor experiences, and weaken long term demand for nature-based offerings. The Group therefore recognises biodiversity stewardship as an integral component of responsible operations and long term value protection.

Beyond the Leisure industry group, biodiversity and ecosystem health are important across several of the Group's business segments. The Consumer Foods industry group relies on agricultural inputs such as crops, spices and natural ingredients, the availability and quality of which depends on stable ecosystems, soil health, water availability and pollinator activity. Similarly, the Supermarket business sources and distributes a wide range of products originating from agricultural and nature-based value chains, making ecosystem balance important for maintaining reliable supply and product quality. Other industry groups, including Property and Transportation, also interact with natural environments where land use patterns and environmental quality influence operational sustainability and infrastructure resilience.

In addition to inward exposure, the Group also acknowledges its outward responsibility to minimise impacts on surrounding ecosystems. Through responsible land use practices, marine stewardship initiatives, and partnerships with conservation stakeholders, the Group seeks to support ecosystem protection while maintaining sustainable operations across environmentally sensitive locations in Sri Lanka and the Maldives. As a diversified conglomerate, the Group recognises that maintaining ecosystem integrity and supporting biodiversity conservation contribute not only to protection of natural assets, but also to resilient supply chains, operational continuity, and long term value creation across its operations.

Management of Biodiversity Impacts

The Group's approach to biodiversity management focuses on minimising operational impacts on surrounding ecosystems while supporting conservation and ecosystem stewardship initiatives in environmentally sensitive locations. While the Group's Biodiversity Conservation Policy is intended primarily for its own operations, the policy also ensures the constructive engagement of supply chain partners, especially in the Leisure sector, through aspects such as training, awareness creation and limited audits to ensure that the policy is applied to the Group's value chain, where practical.

Biodiversity impacts may arise from land use, tourism-related activities, infrastructure development and visitor interaction with natural ecosystems. These impacts are managed through site-level environmental management practices, conservation partnerships and responsible tourism initiatives designed to protect ecosystems and minimise disturbance to biodiversity.

Group Biodiversity Conservation Policy

The Group seeks to conserve, and where possible, enhance biodiversity of the locality through the adherence of local and Governmental laws and the implementation of best practice relating to conservation and protection of biodiversity in areas where operations of the Group are carried out.

The Group recognises biodiversity conservation as integral to long term value creation and responsible business conduct. The Biodiversity Conservation Policy outlines the Group's commitment to avoid, minimise, restore, and where necessary offset adverse impacts on ecosystems and species across its operations and value chain. Biodiversity considerations are integrated into project planning, operational decision-making, and supply chain management. With the majority of biodiversity impacts arising from the Group's Leisure industry group, Cinnamon Hotels & Resorts have also identified specific biodiversity policies and procedures which are aligned with the Group's policies and procedures.

The Group understands and acknowledges its responsibility in conserving and protecting the biodiversity of the areas it conducts operations, not only for the purpose of ensuring sustainable business, but to take care of the planet and preserve its diversity, beauty, resources and strength for future generations.

The Group's management approach is guided by a mitigation hierarchy, prioritising avoidance, minimisation, restoration, and offsetting of biodiversity impacts, Accordingly, the Group places primary emphasis on avoiding adverse biodiversity impacts arising from its operations and operations of supply chain partners, where possible. Where impacts may occur, these are minimised through relevant policies, operational controls, and management processes. These include responsible waste management, efficient water use, effective effluent treatment, and measures to minimise noise, air and soil pollution within the Group's own operations. In addition, biodiversity related risks associated with the Group's value chain are addressed through engagement with supply chain partners, including adherence to standard operating procedures, targeted audits, and training programmes.

During the reporting period, no significant or direct biodiversity impacts were identified arising from the Group's operations. The Group continues to undertake and support biodiversity restoration initiatives from a broader national and ecosystem perspective. These efforts include restoration activities implemented independently by the Group, as well as collaborative initiatives undertaken in partnership with organisations engaged in biodiversity conservation and ecosystem restoration.

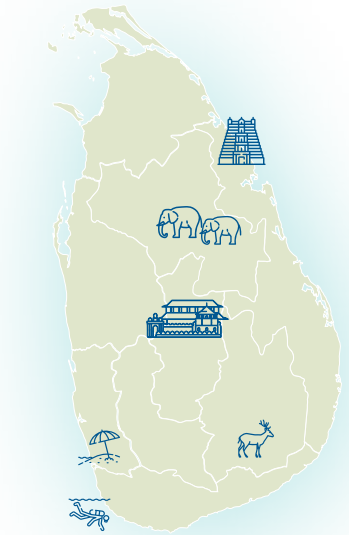
An overview of key biodiversity rehabilitation and restoration initiatives undertaken by the Group, together with approaches to offsetting impacts through local community and supply chain engagements, is presented in the ensuing sections.

Key management practices also include site-level conservation measures and environmental monitoring, partnerships with conservation organisations and responsible tourism operators, and the implementation of marine and land-based biodiversity protection

initiatives. These are complemented by guest awareness programmes that promote responsible interaction with the natural environment, as well as engagement with local communities and authorities on ecosystem conservation. Together, these measures are designed to ensure that tourism operations of the Group continue to coexist with surrounding ecosystems while maintaining the environmental integrity of environmentally sensitive destinations. In addition, the Group promotes responsible sourcing and supply chain practices to support the protection of ecosystems that underpin key raw materials and products across its value chain.

While the majority of the Group's operations are located in industrial and urban areas, certain properties of the Groups' Leisure industry group are situated in areas of high ecological value, including wildlife corridors, coastal ecosystems, and marine habitats. Recognising the sensitivity of these environments, such locations have implemented enhanced biodiversity management practices aligned with the Groups Biodiversity Conservation Policy. These approaches include strengthened site-specific conservation measures and proactive engagement with supply chain partners to ensure that operations and associated activities are conducted responsibly and in a manner consistent with the ecological significance of these areas.

Proximity to biodiversity and its features – Sri Lankan Resorts



Cinnamon Lodge Habarana

- **Name of Protected Area:** Minneriya National Park, Ritigala Strict Nature Reserve
- **Proximity to Hotel/Resort:** Within a 20km radius
- **Biodiversity Value and the Law Applicable to Protection:** Fauna and Flora Protection Ordinance No 2 of 1937, Wildlife and Forestry Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Habarana Village by Cinnamon

- **Name of Protected Area:** Kaudulla National Park
- **Proximity to Hotel/Resort:** Within 22km radius
- **Biodiversity Value and the Law Applicable to Protection:** Fauna and Flora Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Cinnamon Bey Beruwala

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 45km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Hikka Tranz by Cinnamon

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 0.5km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Bentota Beach by Cinnamon

- **Name of Protected Area:** Hikkaduwa Marine National Park
- **Proximity to Hotel/Resort:** 40km
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry, Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Cinnamon Wild Yala

- **Name of Protected Area:** Yala National Park, Bundala National Park
- **Proximity to Hotel/Resort:** Within a 32km radius
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry, Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Trinco Blu by Cinnamon

- **Name of Protected Area:** Pigeon Island Marine National Park
- **Proximity to Hotel/Resort:** 16km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 2 (National Park)

Cinnamon Citadel Kandy

- **Name of Protected Area:** Udawatte Kele Sanctuary
- **Proximity to Hotel/Resort:** 6km
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry, Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 4 (Habitat/Species management Area)

Kandy Myst by Cinnamon

- **Name of Protected Area:** Udawatte Kele Sanctuary
- **Proximity to Hotel/Resort:** 4km
- **Biodiversity Value and the Law Applicable to Protection:** Wildlife and Forestry, Flora and Fauna Protection Ordinance 1937
- **IUCN Category:** 4 (Habitat/Species management Area)

Proximity to biodiversity and its features – Maldivian Resorts



Cinnamon Dhonveli Maldives

- **Name of Protected Area:** Thamburudhoo Thila
- **Proximity to Hotel/Resort:** 1km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime - The Environment Protection and Preservation Act

Ellaidhoo Maldives by Cinnamon

- **Name of Protected Area:** Orimas Thila
- **Proximity to Hotel/Resort:** 1km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime - The Environment Protection and Preservation Act of Maldives

Cinnamon Hakuraa Huraa Maldives

- **Name of Protected Area:** Lhazikuraadi
- **Proximity to Hotel/Resort:** 1km
- **Biodiversity Value and the Law Applicable to Protection:** Maritime - The Environment Protection and Preservation Act

The above sites represent 93.12% of the total locations of the Leisure industry group, and 20.5% of the total locations of the Group.

The Group identifies biodiversity-related impacts at above key locations through environmental assessments, site evaluations, and ongoing operational monitoring. This includes reviewing proximity to protected areas, locations of high biodiversity value, and ecologically sensitive habitats across day-to-day operations and development activities. Biodiversity related impacts within the Group's supply chains are monitored through risk assessments, supplier audits, and stakeholder input, including customer feedback, which together inform the identification of actual and potential impacts.

Performance is tracked using defined indicators, with outcomes reviewed periodically and corrective actions implemented where required. The Group also engages regulators, subject matter experts, conservation organisations, and local communities to strengthen conservation outcomes and support continuous improvement of biodiversity stewardship practices.

Biodiversity conservation remains a core priority for the Group, particularly given its reliance on healthy ecosystems within the Leisure industry group. The ecological considerations are integrated into operational decision-making, with practices designed to minimise environmental impact while supporting the long term preservation of ecosystems that underpin sustainable business performance.

Management of Biodiversity-Related Risks and Opportunities

Within the Leisure industry group, biodiversity driven demand risk is recognised as a CRRO arising from ecosystem degradation and climate-related environmental stress that may affect demand for nature-dependent tourism offerings. Deterioration of natural assets such as coastal, marine, and wildlife ecosystems could reduce destination attractiveness and adversely impact long term revenue resilience within nature reliant operations. Certain businesses within the Group are also subject to environmental and social covenants aligned with international standards, including lender requirements linked to biodiversity protection and environmental stewardship. In such instances, the Group undertakes periodic monitoring, assessment, and reporting on biodiversity-related aspects to ensure continued compliance with these standards and to support responsible environmental management within financed operations.

Biodiversity-driven Demand Risk

Demand for nature-based tourism is closely linked to the health, resilience and accessibility of ecosystems such as coral reefs, marine lagoons, forests and wildlife habitats. Climate-driven disruptions including rising sea temperatures, extreme weather events and habitat degradation may diminish ecosystem quality, reduce destination attractiveness, and weaken visitor experiences. In addition, environmental degradation may result in regulatory restrictions or access limitations in ecologically sensitive areas, potentially constraining tourism activities and impacting long term demand.

Exposure to biodiversity driven demand risk is particularly relevant across the following nature dependent operations:

- Maldives reef and lagoon ecosystems, where marine biodiversity underpins core tourism activities such as diving, snorkelling, and marine recreation.
- Eco-sensitive destinations in Sri Lanka, including dry-zone national parks and wildlife corridors that support wildlife-based tourism experiences.
- Excursion-dependent tourism services, including nature-based itineraries offered through Cinnamon Holidays, which rely on the continued health and accessibility of natural ecosystems.

Ecosystem degradation may therefore adversely affect destination appeal and experience-led revenue streams over the medium to long term. Potential financial implications include impairment risk indicators associated with land and resort assets located in environmentally sensitive areas, increased operating costs arising from enhanced biodiversity management and regulatory compliance requirements, and higher capital expenditure to ecosystem protection measures and strengthening infrastructure resilience.

Ecosystem Conservation and Restoration to Support Nature-based Demand

The Group recognises ecosystem conservation and restoration as a key sustainability-related opportunity at the Group level, given its role in strengthening destination resilience, preserving ecosystem services, and sustaining long term tourism demand.

The Leisure industry group leverages biodiversity stewardship and ecosystem protection as a strategic opportunity to strengthen destination resilience and safeguard long term tourism demand. Responsible ecosystem management supports the preservation of destination appeal, protects nature-based visitor experiences offerings and mitigates license-to-operate risks in environmentally sensitive locations. The Group therefore pursues nature-linked demand resilience through targeted biodiversity conservation and ecosystem stewardship initiatives that support sustained value creation across nature dependent operations.

Key actions include:

- Partnerships with credible conservation organisations engaged in ecosystem protection and restoration
- Implementation of marine and land-based conservation programmes in environmentally sensitive destinations
- Guest engagement initiatives that promote responsible tourism behaviour and nature stewardship
- Collaboration with government authorities and local communities on biodiversity conservation efforts
- Protection of endangered species and critical habitats within and around operating locations

These initiatives help sustain nature-based tourism demand while contributing to broader ecosystem protection objectives.

Biodiversity-related demand risks are monitored using a combination of destination-level environmental indicators and qualitative assessment tools. Monitoring approaches include tracking environmental condition indicators across key destinations, reviewing the scale and sustainability of nature-based excursions, assessing guest preference signals and feedback related to nature-based experiences, and periodically evaluating the effectiveness of biodiversity stewardship and conservation initiatives.

Governance of biodiversity-related risks is currently managed through centralised sustainability oversight, with progressive integration into the Group's Enterprise Risk Management (ERM) Framework underway.

Biodiversity assessment results of the Sri Lanka resorts conducted in 2022 - 2024:

	Critically endangered	Endangered	Vulnerable	Near threatened	Least concerned	Not evaluated	Total species	Endemic
Coral species	0	0	0	2	2	0	4	0
Dragonflies	0	0	2	6	48	0	56	2
Butterflies	0	0	12	15	184	21	232	4
Total	0	0	14	23	234	21	292	6
Fish	0	0	1	1	43	19	64	3
Amphibians	0	0	0	2	24	0	26	6
Reptiles	0	7	6	10	84	2	109	21
Birds	5	3	15	27	381	0	431	17
Mammals	0	7	3	6	54	0	70	4
Total	5	17	25	46	586	21	700	51

1T.org Pledge - Rooting for Tomorrow

The 1T.org (1 Trillion Trees) initiative is a global platform aimed at addressing climate change and biodiversity loss by mobilising collective efforts to conserve, restore, and grow one trillion trees by CY2030. Aligned with the World Economic Forum and the United Nations Decade on Ecosystem Restoration, the initiative supports large-scale ecosystem restoration and nature-based solutions that generate positive outcomes for communities, biodiversity, and the natural environment.

The Group, as the first organisation in Sri Lanka to commit to the 1T Pledge, is actively progressing towards its target of restoring degraded landscapes through the planting of 130,000 native trees by 2030. This is being advanced through a portfolio of reforestation initiatives, including the Cinnamon Rainforest Restoration Project, while further potential sites for restoration are currently being evaluated.

For more details on these efforts committed to the pledge please visit: https://www.1t.org/pledges/rooting-for-tomorrow/

31,366 trees planted

Target: 130,000 trees

CY2026 CY2030



Cinnamon Rainforest Restoration Project

The Cinnamon Rainforest Restoration Project is a flagship biodiversity initiative focused on rehabilitating 59 acres of degraded forest land in Sri Lanka's wet zone. Launched in 2022, the project adopts a science-based Assisted Natural Regeneration (ANR) approach, supporting natural forest succession through the removal of invasive species, enrichment planting with native flora, and continuous ecological monitoring.

To date, over 22,000 native trees representing more than 70 species, including endemic and endangered varieties, have been established. The project has recorded high survival rates, supported by sustained maintenance efforts and favourable climatic conditions. Independent ecological assessments indicate a measurable improvement in biodiversity, with plant species increasing from 92 to 123 and fauna species from 189 to 251, reflecting positive ecosystem recovery and habitat restoration outcomes.

The initiative is delivered through a multi-stakeholder implementation model involving the Forest Department, conservation partners, and local communities. Community nurseries and employment opportunities support long term stewardship, while volunteer engagement further strengthens awareness, participation, and shared ownership of restoration efforts.

Through this integrated approach, the Cinnamon Rainforest Restoration project contributes to enhanced ecosystem resilience, biodiversity conservation, and the Group's long term environmental sustainability objectives.





Volunteers gaining insight into rainforest conservation.

Biodiversity Management and Habitat Protection

Several operational properties actively manage habitats within their premises to enhance biodiversity and support wildlife conservation:

- At the properties in Habarana, habitat management initiatives include the removal of invasive plant species and the identification and protection of ecologically significant areas, such as bird nesting sites. In addition, indigenous tree species across the premises have been labelled to raise awareness among guests and employees of the diversity and importance of native flora. These measures contribute to ecosystem conservation while also supporting environmental education and responsible engagement with nature.
- At Cinnamon Lodge Habarana, one of the most recent biodiversity initiatives implemented is the establishment of an Otter Conservation Zone spanning 3,822 m2 within the property's wetland ecosystem. The site hosts freshwater bodies that serve as natural feeding grounds for the Eurasian Otter (Lutra lutra), a semi-aquatic mammal of the Mustelidae family classified as Near Threatened by the International Union for Conservation of Nature (IUCN). The initiative aims to protect critical habitat, support species conservation, and strengthen the ecological integrity of the wetland environment.





Otter Conservation Zone at Cinnamon Lodge Habarana.

Nature Field Centre, Rumassala

Through its partnership with the Central Environment Authority (CEA), John Keells Foundation (JKF) continued to support biodiversity conservation at Rumassala, Galle, while facilitating experiential environmental learning for 446 schoolchildren and other visitors across 13 educational programmes. During the year, JKF advanced the renovation of the previously dilapidated Nature Field Centre, in collaboration with the University of Moratuwa and Cinnamon Hotels & Resorts, with construction work successfully completed. The upgraded facility strengthens environmental education, research, and community engagement in one of Sri Lanka's ecologically significant coastal landscapes.

The Group continues to strengthen biodiversity stewardship practices across its operations, recognising the close interdependence between ecosystem health and the long term sustainability of nature-based tourism offerings. Through partnerships with conservation stakeholders, the promotion of responsible tourism practices, and ongoing ecosystem monitoring, the Group seeks to safeguard the natural environments that underpin its operations.

As biodiversity related disclosure frameworks and regulatory expectations continue to evolve, the Group will progressively strengthen biodiversity risk assessment processes, monitoring indicators, and governance integration, supporting transparent reporting and reinforcing its long term commitment to ecosystem stewardship and value creation.

Wildlife Conservation, Community Engagement and Environmental Education

Community awareness, stakeholder engagement, and responsible wildlife interaction form an integral part of the Group's biodiversity management approach, particularly within ecologically sensitive locations.

At Cinnamon Wild Yala, located adjacent to the Yala National Park, biodiversity management focuses on responsible wildlife interactions and awareness creation amongst both guests, employees and surrounding communities. Given the property's proximity to a highly sensitive protected area, particular emphasis is placed on minimising disturbance to wildlife and promoting respectful coexistence. As part of this approach, the property conducts mandatory wildlife awareness sessions for employees under the programme 'Being Relevant and Respectful within the Wilderness'. These sessions are designed to enhance staff understanding of wildlife behaviour, ecological sensitivity, and appropriate conduct in wilderness settings, thereby supporting responsible operations and reinforcing conservation led tourism practices.

Environmental education initiatives across the Group include wildlife awareness programmes for schools and local communities, employee training on wildlife coexistence and safety, and guest engagement activities focused on biodiversity conservation. These efforts are complemented by interactive conservation initiatives, such as coral adoption and restoration programmes, which encourage active participation in ecosystem stewardship.

Periodic wildlife awareness events were also conducted aligned with global environmental observances:

- To mark World Snake Day, an awareness programme was held for ~100 students from Magama School, together with hotel staff and guests, focusing on snake identification, behaviour, and safe coexistence practices.
- World Elephant Day awareness sessions were conducted for nearly 60 staff members and guests, highlighting elephant behaviour, conservation challenges, and practical approaches to minimising human-elephant conflict.
- World Crocodile Day activities included educational sessions on crocodile ecology, complemented by a guided night-time lake visit that enabled responsible observation of crocodiles in their natural habitat.
- Cinnamon Lodge Habarana undertook guest awareness and engagement initiatives to promote appreciation of biodiversity and responsible nature interactions. These include guided nature walks, night wildlife tours, and curated visits to butterfly gardens and slow loris habitats, which enhance stakeholder understanding of local ecosystems while supporting conservation led tourism experiences.

In addition, safety and capacity building programmes have been conducted for safari jeep drivers operating in wildlife rich areas to enhance fire safety awareness, emergency response preparedness, and vehicle safety standards. These initiatives contribute to reducing risks to guests, operators, and wildlife within protected and ecologically sensitive landscapes.

Cinnamon Lodge Habarana implemented the Bees that Sustain Lives project to promote biodiversity conservation while supporting sustainable livelihoods within surrounding communities. The initiative provides 15 community beneficiaries with beekeeping equipment, technical training, and support for honey harvesting and beeswax extraction under a structured buy-back model. The project contributes to the strengthening of local bee populations, enhanced pollination of surrounding vegetation and agricultural crops, generated sustainable income opportunities for participating households, supporting both ecosystem resilience and inclusive community development.



Coral Reef Restoration – Beruwala

The Coral Reef Restoration project at Cinnamon Bey Beruwala aims to rehabilitate degraded coral ecosystems along a 50 m stretch of the Beruwala reef, through a collaborative, science based restoration programme implemented in partnership with the University of Moratuwa.

The reef ecosystem has experienced long term degradation due to a combination of natural disturbances, including the 2004 Indian Ocean Tsunami, and anthropogenic pressures such as coastal development, increased sedimentation, nutrient pollution, and unsustainable marine activities.

The restoration programme adopts a structured and evidence-based approach, comprising:

- Long term water quality monitoring
- Identification and selection of suitable reef restoration sites
- Transplantation of coral fragments on metal structures
- Continuous ecological monitoring of coral growth, survival and reef condition
- Deployment of environmental monitoring technologies to track ecosystem recovery

Early monitoring results indicate encouraging signs of reef recovery, including improved coral survival rates, reduced macroalgal dominance, and increased aggregation of reef fish species around restoration structures. These outcomes reflect positive progress towards rebuilding reef health and strengthening the resilience of coastal marine ecosystems.

Coral Restoration and Reef Management – Maldives

The Group's resorts in the Maldives have implemented targeted coral reef restoration and reef management initiatives to protect fragile marine ecosystems and enhance reef resilience.

At Ellaidhoo Maldives by Cinnamon, coral restoration programmes enable guests to actively participate in marine conservation through sponsorship of coral reef cubes installed within designated restoration areas. Since the programme's inception in 2023, a total of 331 coral cubes have been deployed, supporting reef regeneration while contributing to ongoing marine research and monitoring efforts.

In addition, regular reef cleanup initiatives are undertaken across the Group's Maldives properties to remove marine debris, including abandoned fishing nets and other materials that may pose a risk to coral health. In certain locations, targeted removal of excess algae growth is also carried out to improve light penetration, support coral recovery, and strengthen overall reef resilience.

Collectively, these initiatives contribute to the long term preservation of coral reef ecosystems while enhancing awareness and engagement in responsible marine conservation practices.



Coral fragments attached to substrate tiles for reef restoration.



Removing ghost nets from coral reefs to protect marine life.

Habitat Restoration and Marine Stewardship

Additional marine conservation activities are implemented across the Group's Maldivian properties through structured reef maintenance and monitoring programmes. These initiatives involve the removal of marine debris and regular monitoring of coral health to support ecosystem resilience and reduce physical stress on reef systems.

The Group also undertakes coral reef clean-ups and habitat improvements activities, aimed at maintaining coral ecosystems as viable habitats for reef-associated species. Collectively, these measures support the long term health of marine ecosystems while reinforcing responsible marine stewardship across nature dependent operations. Complementing these efforts JKF, delivers a range of initiatives under the Biodiversity focus area, reinforcing the Group's commitment to enhancing quality of life through the conservation, protection, and sustainable management of natural resources, habitats, and wildlife.

Collectively, these initiatives contribute to enhanced community awareness, help reduce wildlife-related conflicts, and promote responsible tourism practices in ecologically sensitive environments.

Sea Turtle Conservation

Sea turtle conservation initiatives are supported across several of the Group's coastal properties, contributing to the protection of nesting sites and the enhancement of public awareness on marine biodiversity

At Hikka Tranz by Cinnamon, the property supports sea turtle conservation efforts undertaken by the Sri Lanka Coast Guard through the provision of equipment for safeguarding identified nesting sites. As a result of these efforts:

- 7,150 turtle eggs were protected, and
- 5,748 hatchlings were successfully released into the ocean, supporting species survival and marine ecosystem health.

Across the Group's Maldivian Resorts, awareness and education initiatives complement conservation actions. These include marine biologist led presentations on sea turtle ecology and conservation, educational materials highlighting individual turtles such as 'Tripod,' and interactive guest engagement activities conducted during events such as World Turtle Day. These initiatives aim to deepen guest understanding of marine conservation challenges while encouraging responsible tourism behaviour.



HUMAN CAPITAL REVIEW

The Group remains firmly committed to nurturing an empowering workplace culture that enables individuals to realise their full potential. This commitment is anchored in a robust human resources framework that shapes every stage of the employee lifecycle.



9,771
Permanent Employees
2024/25: 9,005

8,787
Employees on Fixed Term Contracts
2024/25: 8,196

18,558
Employees within the Seven Industry Groups
2024/25: 17,201

96:4
Local : Overseas Employee Ratio
2024/25: 96:4

64:36
Male : Female Ratio
2024/25: 66:34

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- Employee Performance Management *Page 100*
- Compensation and Benefits *Page 100*
- Learning and Development *Page 102*
- Employee Engagement and Well-being *Page 104*
- Employee Volunteerism *Page 105*
- Employee Attrition *Page 106*
- Labour and Human Rights *Page 106*
- Governance and Compliance *Page 107*
- Diversity, Equity and Inclusion *Page 108*
- Health and Safety *Page 109*

HUMAN CAPITAL REVIEW

Key Highlights

Talent Acquisition *

» The Group concluded a structured project aimed at identifying and articulating the Group's Employee Value Proposition (EVP), with internal and external communications planned for 2026/27.

» The 18th batch of the Group Management Trainees successfully completed their programme tenure and transitioned into permanent roles, while the 19th batch was successfully onboarded.

Compensation and Benefits*

» The Temporary Crisis Allowance, introduced in January 2023 to support employees during challenging macroeconomic conditions, was absorbed to the basic salary during the annual increment cycle.

» In December 2025, following the impact of Cyclone Ditwah, employees were given the option to voluntarily contribute the equivalent of one day's wages toward national relief efforts, with contributions amounting to Rs.8,400,405 being channelled through the Chamber of Commerce of Sri Lanka to support coordinated flood relief and recovery initiatives.

» The Group Executive Committee approved a special Group level flood relief framework to support employees who were adversely affected by Cyclone Ditwah.

Learning and Development*

» The Group's Management Development Programme completed its 10th cohort marking a decade of continuous investment in developing managers and leaders.

Employee Engagement and Well-being*

» The Group conducted a comprehensive Employee Engagement Survey named EmPulse, in partnership with Gallup, a global advisory firm.

» The Group, through John Keells Foundation, initiated the development of a customised Volunteer App to enhance and digitise volunteer engagement in the Group.

» A series of mental health awareness sessions were conducted to support employee well-being.

Health and Safety*

» The Group offered health and safety awareness initiatives and interventions, reinforcing its commitment to maintaining a safe and secure working environment for all employees, contractors, and visitors engaged in business activities with the Group.

Diversity, Equity and Inclusion*

» The Group made significant strides towards achieving its gender parity goal of 40% by 2030, achieving a women's participation ratio of 36% by the end of the financial year.

**These areas are governed by Group-wide policies and processes. Therefore, initiatives apply across all industry groups. Sector specific key initiatives carried out during the reporting period by the respective industry groups are stated under the ensuing sections, wherever applicable.*

Awards and Accolades

» John Keells Holdings PLC was recognised as one of the 'Top 10 Best Employers' at the EFC National Best Employer Awards 2025.

» Cinnamon Hotels & Resorts was awarded 'Winner of the DEI Champions Awards 2025' by the Ceylon Chamber of Commerce.

» Union Assurance was awarded 'Joint Winner for contribution to Women in Insurance Leadership' by the Indian Chamber of Commerce (ICC).

Standards and Certifications

As part of its commitment to fostering a safe, inclusive, and sustainable workplace, the Group aligns with internationally recognised standards such as ISO 45001:2018, implementing proactive health and safety practices wherever applicable. It also remains committed to complying with, and where practicable exceeding, the regulatory requirements of the countries in which it operates.

Human Capital continues to be a central driver of the Group's performance, resilience, and sustained growth. The Group remains firmly committed to nurturing an empowering workplace culture that enables individuals to realise their full potential. This commitment is anchored in a robust human resources framework that shapes every stage of the employee lifecycle. Through strategic investments, the Group continues to build a skilled, motivated, and future-ready workforce that supports the long term sustainability and competitiveness of the Group's business.

The importance of human capital management stems from the need to manage the impacts on the Group's workforce, and the dependency on the pool of skilled workforce to augment the Group's operations and product and service quality standards. While the Group strives to ensure its employees are positively impacted during the employment lifecycle, it continually identifies and assesses the risks associated with recruiting and retaining staff, given the wider macroeconomic and geopolitical environment the Group operates in.

While the Group Human Resource (HR) Division provides guidance and an operating framework by way of human capital policies, processes and systems, the achievement of the strategic initiatives depends on execution at business unit level. The Heads of HR of the sectors are members of the Human Resources Group Management Committee (HRGMC) which is chaired by the Group's Chief People Officer (CPO). This committee functions as both a channel through which Group's human capital decisions are cascaded to the wider HR teams for execution and as the channel through which sector human capital priorities and challenges are brought to the notice of the CPO and the Group HR team for support and guidance.

The following capital review is presented within the context of the Group's application of a double materiality approach, to identify its material impact topics aligned with the Global Reporting Initiative (GRI) Standards, and the identification of financially material sustainability- and climate-related risks and opportunities (SRROs and CRROs) aligned with the SLFRS Sustainability Disclosure Standards S1 and S2.

Internally defined focus areas, which reflect key areas of the Group's management approach, strategies and performance, provide an overview of how relevant material topics are managed within the Group. These focus areas also provide a broader overview of management approaches relating to other areas associated with this capital and addressed within the Group.

Refer Determining Materiality section for further information on the double materiality approach – page 396.

Within the Human Capital Review, the focus areas cover the following from an impacts, and risks and opportunities perspective:

- importance of material topics;
- the Group's approach to managing these material topics;
- performance of material topics, reflected through relevant metrics and disclosures.

Material Topics

The Group identifies its material human capital impact topics and key priorities, risks and opportunities through a comprehensive materiality assessment process, supported by periodic employee engagement, enterprise risk analysis, and peer benchmarking. In line with the requirements of both the GRI Standards and SLFRS S1 and S2 Standards, this process considers the Group's impacts as well as the sustainability-related risks and opportunities that may reasonably be expected to have financial implications over the short, medium, and long term.

The Group's impacts and sustainability-related risks and opportunities relating to human capital are outlined below:

Impacts	Risks	Opportunities
Talent attraction and retention Labour rights Occupational health and safety Diversity, equal opportunity and non-discrimination	Skilled labour shortage and retention risk	The Groups' strong employer brand The Group's culture of equity and inclusivity Strong learning culture with shared ownership between Group and Sectors Progressive employment practices Cross-sector career moves

Refer Outlooks and Risks, SLFRS S1 and S2 Disclosures Section for further information on impacts, risks and opportunities.

Management of Employment Related Impacts, Risks and Opportunities

Subsequent to the Group's stakeholder engagement and materiality assessments undertaken with the support of independent third parties and internal management teams, a number of employment related impacts were identified as material topics to the Group. Specifically, talent attraction and retention, labour rights, diversity, equal opportunity and non-discrimination, and occupational health and safety were identified as impact topics, with aspects such as employment practices, performance management, training and development, non-discrimination, employee well-being and volunteerism being identified as constituent components of these material topics.

The Group Human Resources Division plays a strategic role in managing these employment related impacts and associated risks and opportunities. The division supports the achievement of business objectives through a forward-looking and progressive human capital strategy, developing policies aligned with the Group's strategic priorities and regulatory requirements, and providing expert guidance across all dimensions of human capital management. These efforts are further supported by the Group's broader Sustainability Management Framework, which strengthens structured approaches to risk identification, policy adherence, data management, performance monitoring, and internal reporting across the organisation.

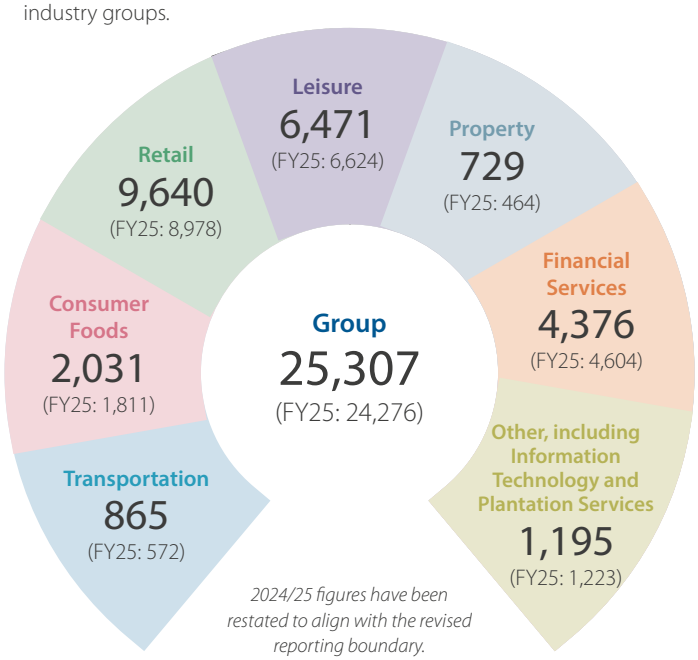
Focus Areas

The contributions of the Group's Human Resources function are centred around clearly defined focus areas, which collectively manage employee journeys across the employment lifecycle. The Group continues to advance the priority areas outlined in its HR framework, which act as key enablers of sustainable value creation and support meaningful, long term career growth for employees across all levels. These focus areas, while reflecting the employment lifecycle, also form sustainability-based responses to the Group's sustainability impact topics and sustainability-related risks and opportunities (SRROs).

Material Topic	Focus Areas Relating to Management of Material Topics
Talent Attraction and Retention and Skilled Labour Shortage	Talent attraction and retention Employee performance management Employee engagement and well-being Compensation and benefits Reward and recognition Learning and development Employee volunteerism
Labour Rights	Freedom of association Labour and human rights Governance and compliance
Diversity, Equal Opportunity and Non-Discrimination	Diversity, equity and inclusion
Occupational Health and Safety	Health and safety

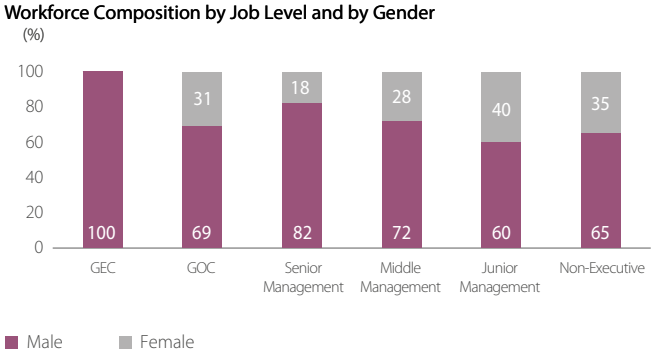
Workforce Composition

During 2025/26, the Group recorded an increase in its workforce, largely attributable to continued expansion within the Property and Retail industry groups.

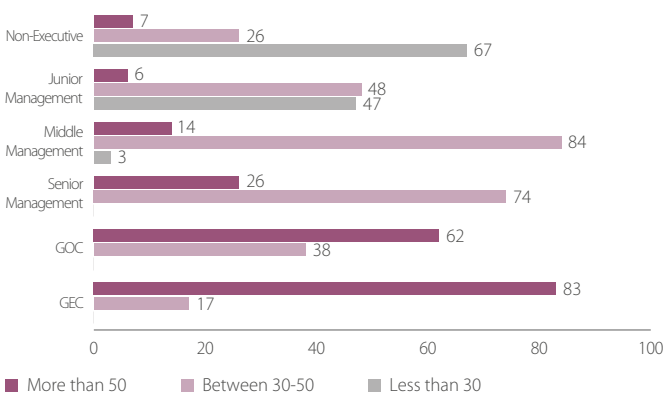


2024/25 figures have been restated to align with the revised reporting boundary.

Workforce Composition by Job Level and by Gender



Workforce Composition by Job Level and by Age Group



- The Group employs full-time employees as the general practice and employs less than 1% of its workforce on a part-time basis.
- The Group does not employ non-guaranteed hours employees.
- All workforce data is reported using a precise headcount methodology, capturing the number of employees at the end of the reporting period through the Group's Human Resources Information Management System.
- The Group classifies those employed at business units within Sri Lanka as local employees, and those working outside Sri Lanka as overseas employees.
- 95% of the senior management is hired from the local community (The Group defines Assistant Vice President and above staff as the senior management and Sri Lanka as the local community)

The Group engages a total of 6,749 contractor personnel through third-party service providers, with the highest contribution from sales agency workers in the Insurance business.

3,440 Agency workers	**1,189** Security personnel	**897** Janitors
638 Others	**585** Contractors	

Compensation for non-employee workers is established through formal agreements with third-party service providers. These agreements are structured to ensure compliance with the country's laws and regulations, including adherence to legally mandated minimum wage standards.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant business units against SASB standards – page 398.

TALENT ATTRACTION AND RETENTION

Employees remain central to the Group's ability to deliver sustained performance, particularly in sectors requiring specialised skills. Accordingly, attracting, developing, engaging, and retaining talent is critical to maintaining operational effectiveness and supporting long term value creation.

Talent acquisition, in this context, is a strategic priority, ensuring workforce pipeline continuity and strengthening the Group's capability base through the infusion of new and critical skills. A strong employer brand shaped by a longstanding focus on human capital, enables the Group to attract a skilled and committed workforce, while labour shortages, competition for specialised talent, and capability gaps may affect service standards, operational efficiency, and employee turnover. These challenges can also heighten compliance, health and safety, and reputational risks.

Against this backdrop, skilled labour shortage and retention risk has been identified as a SRRO at Group level. The Group responds through targeted human capital strategies encompassing talent acquisition, engagement, learning and development, and retention. Group level frameworks guide these priorities, while sectors implement

tailored initiatives to address distinct workforce needs. Competitive compensation and benefits, structured reward and recognition, and opportunities for skills development and internal mobility, support employability, capability building, and career progression.

The Group adopts a comprehensive, multi-channel approach to sourcing talent. During the year under review, the Group embarked on a project to articulate and strengthen its employee value proposition. Flagship initiatives such as the John Keells Group Management Trainee Programme, the FastTrack Summer Internship Programme, and continuous university engagement reinforce this positioning. These are further supported by targeted communication through Life@JKH social media platforms, strengthening the Group's reputation as an employer of choice.

Sector-specific implications reflect workforce realities across the portfolio. The Consumer Foods industry group highlights the availability and capability of skilled labour as a key risk given its manufacturing and cold chain requirements. The Leisure industry group continues to manage shortages in skilled roles and higher turnover, while the Information Technology sector faces intense competition for talent in fast-evolving labour markets. This may affect productivity, product and service quality, workplace safety with potential implications for service levels and customer satisfaction. In the near term, these challenges may lead to higher overtime, training, and operational costs. In response, the industry groups continue to strengthen workforce planning and skills development initiatives.

The businesses benefit from Group-wide initiatives where applicable, and the implementation of focused initiatives to address sector and industry-specific challenges.

Refer to the respective Industry Group Review section for further information on these SRROs – page 167 onwards.

Key initiatives during the year:

» The Group concluded a structured, Group-wide process to identify and articulate the Group's Employee Value Proposition (EVP) with the support of a globally recognised consulting company. A comprehensive process of hearing employee voices through a survey and focus group discussions was followed by leadership consultation with the Group Executive Committee, the Group Operating Committee and the HRGMC. Phase 1 of the project culminated in identifying an employee value proposition statement and pillars that outline what the Group offers its employees in return for the knowledge, skills and capability they contribute to the Group. Phase 2, which will be rolled out in 2026/27 will involve taking the identified EVP to market and making it come alive through enhancements to existing offerings and crafting new programmes and offerings.

» Under the Group's 19th Management Trainee intake, nine candidates were selected from a competitive pool of 776 applicants through a rigorous, multi-stage evaluation process. The intake recorded a 102% increase in applications compared to the previous year, reflecting the programme's growing appeal and strong employer brand positioning. Meanwhile, the 18th batch, which commenced training in 2024/25, successfully completed the programme and transitioned into permanent roles across the Group during 2025/26, strengthening the leadership pipeline for the future.

» The FastTrack Summer Internship Programme, conducted in collaboration with Brandix Lanka (Private) Limited, was offered to ten students over a three-week period. Designed with structured stints across both entities, the programme provided participants with meaningful exposure to distinct corporate cultures and business functions. It served as a strong foundation for professional development, enabling interns to gain practical insights and broaden their understanding of operations within leading organisations.

» The Group continues to use globally recognised psychometric assessments, aligned with the Group's Success Drivers, as part of the selection process for hires above the level of Assistant Vice President ensuring that candidates are assessed against the Group's behavioural competency profile. For other talent pools, fit-for-purpose selection tools are in use.

Group Induction

The Group Induction Programme (GIP) was held on a quarterly basis during the year under review. The GIP aims to enable faster integration and increase productivity by familiarising new recruits with Group culture and policies. The GIP provides the necessary tools, resources, and information that help new hires to become productive swiftly and speed up the learning curve.



Employment Transition Assistance

As a part of the Group's strategy for retaining talent, employees are offered the opportunity to apply for new roles within the Group. Vacancies are advertised internally via the Internal Job Posting Programme (IJPP) in addition to advertising externally. The IJPP promotes employee mobility across sectors and business units. This enables employees to steer their career progression, whilst the business benefits from new hires' familiarity with internal processes enabling a smoother and faster transition into their new roles. The IJPP is a benefit available to full-time employees and is not extended to temporary and part-time employees.

In the spirit of supporting employees through the employee life cycle, retiring employees are prompted at the beginning of their retirement year of their upcoming retirement, as are their supervisors, thereby assisting them to plan for their retirement in addition to enabling supportive conversations regarding the transition.

Industry Group-level Initiatives	
Retail	» Jaykay Marketing Services, as a part of the recruitment decentralization initiative opened their 2nd and 3rd Keells Employee Support Centres in Colombo and Panadura in the months of August and September 2025 respectively. » Retail Industry Management Trainee Programme which is a digital recruitment drive was rolled by Jaykay Marketing Services. 7 trainees were successfully onboarded for the program.
Leisure	» Cinnamon Hospitality Academy supports the development of a sustainable industry talent pipeline; 62 students currently enrolled as Batch 3. » Walkers Tours launched the 'NextGen Talent Programme' to attract and nurture school leavers through internship opportunities, supporting early talent development and building a future talent pipeline for the tourism sector. » Walkers Tours, in collaboration with Sabaragamuwa University of Sri Lanka, supports structured industrial training for undergraduates in Tourism and Hospitality Management, strengthening early talent development and building a future talent pipeline for the business.
Financial Services	» Union Assurance engaged in continuous awareness programmes on bancassurance through 'All About Bancassurance' sessions which were rolled out island-wide to strengthen the pipeline for bancassurance sales positions.
IT, Plantation Services and Other	» 'F1' programme which is a 4-year structured development programme targeting undergraduates was rolled out by John Keells IT for the 8th year. 7 undergraduates were enrolled for the programme during the year.

Hires by Gender Identity

Male		Female	
57%	8,148	6,228	43%

Hires by Region

Local		Overseas	
99%	14,233	143	1%

Hires by Age Group

<30		30-50		>50	
12,764	88%	1,521	11%	91	1%

EMPLOYEE PERFORMANCE MANAGEMENT

Performance management is integral to aligning individual performance with the Group's strategic objectives and fostering a culture of accountability, meritocracy, and high-performance. It provides employees with clear expectations, regular feedback, and targeted development opportunities, while enabling the Group to enhance organisational capability and deliver sustainable results.

Biannual formal evaluations are conducted for the executive cadre, with other employees undergoing annual reviews. Complementing these processes, the Continuous Performance Management (CPM) system enables supervisors and teams to translate strategic objectives into actionable tasks, monitor progress in real time, and provide ongoing feedback, reinforcing collaboration and performance excellence.

All performance assessments are reviewed and signed off by relevant career committees to ensure transparency and fairness. Performance outcomes feed into the compensation and benefits framework for performance-based rewards whilst learning and development initiatives, address capability gaps.

In 2025/26, the performance management system achieved a 100% completion rate among eligible employees.

COMPENSATION AND BENEFITS

The Group's compensation framework is guided by a strong pay-for-performance philosophy that is applied consistently across all business units while accommodating specific business requirements and regulatory obligations. To ensure that compensation remains competitive and equitable, the Group periodically undertakes comprehensive compensation and benefits benchmarking surveys with the support of independent consultants. These role-based market benchmarks help maintain a fair and balanced pay structure aligned with prevailing industry standards. The Group is committed to ensuring equitable pay for employees performing similar roles at the same level, thereby fostering an inclusive work environment free from gender-based pay disparities. All employees are compensated at or above the legally stipulated minimum wage, with the ratio of standard entry-level wage to minimum wage maintained at a minimum threshold of 1:1. However, it is noted that given the Group's presence across a diverse range of industries with varying pay structures and compensation models, a consolidated annual pay total compensation ratio would not provide relevant or comparable insights into remuneration practices across the organisation and as such is not reported. The Group operates in full compliance with applicable labour laws and regulations in the country and is supported by the Employers' Federation of Ceylon (EFC), which provides guidance and advisory services on matters relating to human resource regulations and labour compliance.

The Group's benefit scheme offers a comprehensive suite of market-competitive benefits designed to attract, motivate, and retain employees while enhancing financial security and overall employee well-being. All permanent employees receive the same benefits aligned to their level in the organisation, while contract employees are provided with the same benefits as permanent employees (except for increments and short term incentives which are governed by contractual terms). The Senior Management, including Group Operating Committee (GOC) is eligible to the Employee Share Option Scheme at the discretion of the

Group Executive Committee (GEC) allowing them to purchase company shares at a pre-determined price, fostering a sense of ownership and aligning the interests of employees with the long term success of the Group. Additionally, the share options allocated to the members of the GEC including those of the Executive Directors is determined by the Human Resources Compensation Committee (HRCC). Benefits for those based in Sri Lanka and other countries vary in compliance with the respective countries' laws and regulations.

Key initiatives during the year

- The Temporary Crisis Allowance introduced in January 2023, which was provided in addition to employees' basic salary, to support employees in navigating the challenging macroeconomic environment was consolidated into the basic salary in July 2025 in line with the annual increment cycle.
- In December 2025, following the impact of Cyclone Ditwah and the resulting floods across parts of the country, employees were provided the voluntary opportunity to contribute the equivalent of one day's wages toward national relief efforts. Funds were channelled through the Chamber of Commerce of Sri Lanka to support coordinated flood relief and recovery initiatives. This reflected the strong spirit of solidarity demonstrated by the Group's employees, and their meaningful support extended to affected communities.
- The Group Executive Committee approved a special Group level flood relief framework to support employees adversely affected by the floods. This initiative was introduced to provide timely relief and help ease the immediate financial burden faced by impacted team members, reflecting the Group's continued commitment to the well-being and care of its employees during challenging times.
- The Group continued to implement Initiatives such as employee discounts facilitated through the employee supplier catalogue wherein preferential terms and conditions are made available to the employees of the Group for the purchase of various goods and services.

In addition to the annual increment, short term incentives and Employee Share Option Schemes, the Group offers a range of benefits including medical and life insurance, disability coverage, travel benefits, retirement plans and parental leave.

Employee Benefit Plans

In accordance with the labour laws of Sri Lanka, employees are eligible for the Employees' Provident Fund (EPF) and the Employees' Trust Fund (ETF) contributions, whilst Maldivian nationals employed in the Maldives are eligible for the Maldives Retirement Pension Scheme (MRPS) contributions.

The total contribution made to the EPF for 2025/26 amounted to Rs.2.2 billion, whilst the total contribution made to the ETF was Rs.516 million (3% of salary contributed by the employer).

In Sri Lanka, employees are also entitled to gratuity. The employee gratuity benefits liability as at 31 March 2026 stood at Rs.4 billion, and this liability is funded internally.

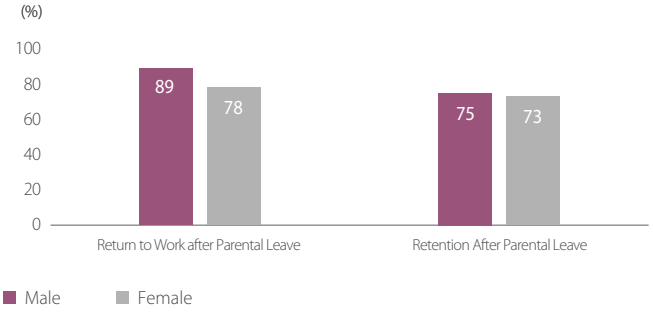
Parental Leave

The Group's parental leave policy reflects its commitment to employee well-being, work life balance and gender equity, while reinforcing the Group's belief in shared parenting responsibilities and equal opportunities. In line with this commitment, all employees of the Group are entitled to 100 days of parental leave.

Total number of employees who took parental leave during the reporting period

Male **161** Female **65**

Return and Retention After Parental Leave



The retention period was calculated based on the number of employees who remained in employment after 12 months of returning to work from parental leave.

Childcare

The Group continued to provide subsidised childcare support to assist working parents across all Group companies, as part of the Group's ongoing commitment to advancing Diversity, Equity and Inclusion. Through partnerships with three carefully selected service providers, creche facilities are available at 12 locations across Colombo and its suburbs. This initiative supports parents, particularly those returning after parental leave, in transitioning back to work more smoothly. This has positively contributed to improved return to work rates, contributing to higher employee retention and a more inclusive work culture.

Flexible Work Options

Flexible and remote working arrangements are offered wherever operationally feasible, providing employees with greater work-life balance while supporting their overall well-being. To facilitate effective remote working, the Group funded Wi-Fi support is provided to ensure reliable internet connectivity and technology systems are strengthened to support seamless collaboration, including access to cloud folders for file sharing, online meetings wherever possible, and improved IT support and infrastructure. These measures enable employees to remain connected and maintain productivity while working from remote locations.

Reward and Recognition

Employee recognition remains a key element of the Group's commitment to nurturing a high performing and engaged workplace that underpins organisational success. To acknowledge and reward individual and team achievements, a range of recognition schemes is implemented at both Group level and across the industry groups.

At the Group level, Chairperson's Awards, the Group's highest internal recognition platform, recognises individuals and teams whose contributions have delivered meaningful impact across the Group's triple bottom line. At the 2025 edition of the Awards, employees were honoured for exceptional performance and impact

across the categories of Outstanding Achievement, Corporate Social Responsibility, Disruptive Innovation, Sustainability, and Diversity, Equity and Inclusion, reflecting the Group's continued focus on driving responsible growth and long term value creation.

The Group's spot award scheme, Bravo, is designed to recognise the demonstration of Group Values: Caring, Integrity, Trust, Innovation and Excellence. It is designed to promote a culture of empowerment as any employee can nominate another for this recognition. Peer-to-peer recognition is also encouraged through HIVE, the Group's Human Resource Information System (HRIS). Employees can utilise dedicated functionalities such as badges and peer feedback, fostering a collaborative and rewarding work environment.

Beyond these Group-wide initiatives, each sector and business unit implements tailored recognition programmes, including Employee of the Year, Champion of the Year and other sector level recognition programmes, reinforcing performance excellence and core values across teams.

The Group also recognises employees who demonstrate exemplary contribution to CSR through the Volunteer Recognition Day Awards, a dedicated volunteer recognition event hosted annually by JKF under the patronage of the Chairperson. This initiative acknowledges individuals who make significant contributions to CSR volunteerism, going beyond their formal professional responsibilities. The Long Service Awards recognise employees for their longstanding contributions to the Group, celebrating their loyalty and enduring commitment to the organisation's success.



Recipients of Gold Certificates at Volunteer Recognition Day.

LEARNING AND DEVELOPMENT

Learning and Development (L&D) strengthens strategic execution, builds future-ready talent, supports innovation, and enhances long term organisational sustainability through continuous capability growth and adaptability.

The Group reinforces employee capability through significant investments in skills and competency development guided by the Success Drivers Competency Framework. As the Group's L&D philosophy and practices promote lifelong learning and continuous engagement, employees receive access to a diverse range of learning channels and interventions. While classroom training and online learning are adopted widely, coaching and mentoring are also encouraged at all levels.

Together, these initiatives cultivate a strong learning culture that equips employees to meet evolving business needs and contribute to the Group's long term success. However, in a rapidly evolving business environment, maintaining an adequately skilled workforce remains a key priority. The Group has identified insufficient competence and skills in staff as a Group risk under the Group Enterprise Risk Management (ERM) framework. Capability gaps may arise due to technological advancements, evolving operational processes, and increasing industry standards. Such gaps may affect productivity, regulatory compliance, product and service quality, and the effective execution of strategic initiatives. In the short to medium term, these challenges may also lead to increased training investments and operational inefficiencies.

In response, the Group implements structured L&D initiatives aligned with sector-specific operational requirements. These include technical training programmes, leadership development initiatives, and structured onboarding processes designed to strengthen workforce capabilities. Regular performance evaluations and capability assessments further support the identification of skill gaps and enable targeted development interventions. Through these measures, the Group aims to enhance employee competencies, support operational excellence, and mitigate risks associated with workforce capability gaps.

During the year in review, special emphasis was placed on building capability of managers and leaders through training, coaching and mentoring. Framed by the organisational competency framework known as Success Drivers, the programmes aimed at elevating the knowledge and skills critical for success in the modern-day workplace.

Staff in executive and above levels undergo training via the Learning Management System on the mandatory policies including Group's Code of Conduct, Anti-Fraud, and Anti-Sexual Harassment policies. 1,566 employees received communication and training on anti-corruption policies in the year under review.

Additionally, a new e-module on Anti-Fraud, Anti-Corruption, Anti-Money Laundering, Countering the Financing of Terrorism, and Countering Proliferation Financing, has been developed and will be launched in Q1 of the next financial year.

Employees who received communication and training on anti-corruption policies via the Learning Management System:

Job Level	% of Employees
Senior Management	4%
Middle Management	14%
Junior Management	31%
Non-Executive	-

Region	% of Employees
Sri Lanka	9%
Maldives	1%

Average Training Hours per Employee by Category:

6.0	12.4	13.5	39.2
Senior Management	Middle Management	Junior Management	Non-Executive

Average Training Hours per Employee by Gender Identity:

Male	Female
33.9	34.8

Training Hours by Industry Group

Industry Group	Total Hours	Average Hours per Employee
Transportation	5,474.65	7.51
Consumer Foods	53,022.16	35.54
Retail	216,135.63	26.56
Leisure	330,290.00	55.41
Property	5,434.02	15.84
Financial Services	14,661.61	16.83
Other including IT and Plantation Services	9,871.81	9.65

Programmes for Upgrading Employee Skills

Success Drivers Awareness Sessions

In 2023/24 the Group launched a new set of competencies titled Success Drivers, replacing the Group Roof Competencies. Since then, including the year under review, 69 trainers have delivered 326 awareness sessions across the Group. Apart from the classroom-based training, other innovative and engaging activities such as quizzes and poster competitions were conducted across the Group. Businesses focused on sharing real stories of Success Drivers in action to motivate widespread adoption.



Participants of Success Drivers Awareness Programmes at Retail Sector and Financial Services Sector.

Management Development Programme

36 managers from across the Group successfully completed the Management Development Programme delivered in partnership with the Postgraduate Institute of Management (PIM). Marking its 10th cohort, the programme represents a decade of sustained investment in building a strong pipeline of capable managers and future leaders. This milestone underscores the Group's long term commitment to strengthening leadership capacity across all business verticals.

The programme continues to deliver measurable impact by enhancing participants' ability to lead high-performing teams, drive strategic initiatives, and contribute effectively to organisational priorities. The Programme remains a cornerstone of the Group's people development initiatives that empowers managers to create meaningful value, inspire their teams, and shape the Group's future success.



Images from the Management Development Programme

SHINE Programme for First-Time People Managers

The SHINE Development Programme, designed for newly appointed people managers, plays a pivotal role in strengthening the Group's leadership pipeline. The two-day programme brought together 86 first-time people managers, equipping them with the mindset, skills, and clarity needed to transition confidently into their new responsibilities. The SHINE Programme continues to create a measurable impact by preparing new people managers to inspire, support, and drive team performance across the Group.



Day 01 of the SHINE Development Programme.

Executive Coaching

The Group's Executive Coaching initiative continues to be a strategic investment in strengthening leadership capability and succession readiness for critical roles. Coaching offers a personalised development experience that accelerates growth and enhances leadership effectiveness. Through one-on-one engagement with certified coaches, leaders gain deeper self-awareness, sharpen decision-making, and build the confidence required to navigate complex organisational challenges.

By investing in executive coaching, the Group reinforces its commitment to developing agile, future-ready leaders capable of delivering sustainable performance and shaping long term organisational success.

149 employees participated in coaching and mentoring programmes during the year under review with a total investment of Rs.61.9 million.

Increasing Learning Engagement

As part of the effort to create a dynamic learning environment and foster continuous learning, the Group conducted a blend of self-learning and social learning programmes through online, in-person and blended formats during the year in review.

- The Speakers' Club, an ongoing initiative held monthly to enhance employees' public speaking and communication skills, continued to provide a platform featuring speeches and peer feedback in a supportive learning environment.
- The Annual Speechcraft Programme, conducted in collaboration with the Smedley Toastmasters Club, guided a cohort of 30 nominated participants through a structured 10-week journey to strengthen public speaking and presentation skills under the mentorship of experienced Toastmasters.
- The JKH Quiz Night brought together 30 teams from across the Group for an interactive learning experience with themed rounds on general knowledge, current affairs, and Group-specific insights, encouraging collaboration and continuous learning in a fun, competitive format.



Speakers Club Sessions.



Winners of the JKH Quiz Competition.

Bridge Online Learning Platform

The Group's online Learning Management System is accessible to all executive and above employees across the Group. In the Retail and Leisure industry groups, this learning system is extended to frontline employees, ensuring they receive comprehensive knowledge and skill development. During the year under review employees engaged in 51,831.34 hrs of online learning and 172 new modules were introduced.

JKH Corporate Partnership with CIMA

John Keells Holdings PLC renewed its Platinum Partnership with AICPA & CIMA as a Corporate Partner for 2025. As a Corporate Partner, JKH benefits from exclusive access to top talent, industry insights, training opportunities, and valuable networking, reinforcing our ongoing commitment to professional excellence and future-ready leadership. In addition, JKH was ranked 2nd among AICPA & CIMA Top Employers for 2025 in Sri Lanka.

EMPLOYEE ENGAGEMENT AND WELL-BEING





Inter Company Rugby 7s Tournament and Inter Company Swimming Meet

Fostering an engaged, connected, and high-performing workforce aligned with its strategic business objectives is treated as a priority by the Group. During the year, targeted initiatives were implemented to strengthen employee engagement and support holistic well-being across physical, mental, and financial dimensions. These initiatives are designed to enhance productivity, improve retention, and cultivate a positive, performance-driven workplace culture.

Key Initiatives During the Year:

- Career Week 2025 was designed to support employee development and engagement through a series of structured activities such as experience sharing sessions by leadership, learning content dissemination, an Instagram competition, a pop-up sale showcasing the entrepreneurial spirit of employees, and a quiz competition, all of which encouraged participation and learning.
- Spotlight, the Group talent show, was held for the fourth consecutive year, providing a platform to recognize and celebrate the diverse talents of employees across the Group. Over 100 employees auditioned across the categories of Solo Singing, Group Singing, Solo Dancing, Group Dancing, and Solo Instrumentalist, reflecting strong engagement and participation.
- The Group partnered with Child, Adolescent and Family Services (CAFS) to offer employer-sponsored psychological well-being sessions for all employees. This offering was further supported by awareness sessions focused on understanding, recognising, and maintaining mental health and well-being.

» As part of its holistic approach to employee well-being, the Group introduced financial well-being programmes delivered by both internal and external experts. These sessions provided employees with practical guidance to strengthen financial discipline and make informed financial decisions.

» In addition, each business unit implemented tailored well-being initiatives designed to address the specific needs and operating contexts of their respective sectors.

» During the year, the Group partnered with Gallup to conduct its employee engagement survey, EmPulse. This collaboration enabled the Group to gather robust, data-driven insights into employee experience, engagement levels, and identify key areas for improvement, reinforcing our commitment to fostering a high-performance and inclusive workplace culture. The initiative also reflects a strategic shift from the culture-focused approach previously adopted by the Group, to a more performance and productivity-centric engagement model. Central to this approach is the Q12 framework, a set of 12 scientifically validated questions that measure core drivers of engagement such as clarity, recognition, development, and purpose. Importantly, the methodology empowers managers to take ownership of their team results, engage in meaningful discussions, and implement targeted action plans. Supported by robust benchmarking and analytics, the survey provides actionable insights that drive continuous improvement and strengthen overall organisational performance.

» The Group Sports Committee organised a series of inter-company sporting events during the year, including the Intercompany Badminton Championships, Rugby 7's, the Intercompany Swimming Meet, and the Intercompany Softball Cricket Tournament. These events brought together teams from across the Group, encouraging employee participation, strengthening cross-company relationships, and promoting a culture of teamwork, sporting spirit, and active engagement.

Sporting Achievements

The Group actively encourages employee participation in sports activities. Engagement in sports serves as a powerful platform for fostering cross-functional networking, enabling employees from diverse business units to connect and strengthen organisation cohesion and promotes a unified corporate culture. By investing and promoting sports initiatives, JKH not only nurtures a healthier and more connected workforce but also reinforces its commitment to holistic employee development. These efforts contribute to creating an inclusive and dynamic work environment where individuals are empowered to thrive both professionally and personally.

During the year, the Group recorded notable achievements at the Mercantile sports events.

» JKH team became the C Division Champions of Mercantile Football defeating the defending champions of the Super League.

» At the 13th Mercantile Doubles Team Badminton Championships 2025, John Keells Group Team A won the Plate Division Championship, while Team B finished as Bowl Division Runners-Up.

» JKH team emerged as Champions at the Mercantile Swimming Championships 2025, winning the President's Challenge Trophy after a lapse of 15 years in a highly competitive field of 31 organisations. In addition, the team secured multiple category trophies, including the Women's Under 40, Veteran Women's, and Veteran Men's titles.

» At the 41st Mercantile Badminton Association (MBA) Inter-Firm Team Badminton Championships 2025, the JKH Badminton Team secured an overall 5th place among 56 companies. The team achieved multiple divisional wins, with four players recognised as Best Players in their respective categories.

EMPLOYEE VOLUNTEERISM

Volunteer engagement remains a cornerstone of the Group's CSR initiatives implemented through its CSR entity John Keells Foundation (JKF). JKF's diverse volunteer network ranges from project champions, sector coordinators, trainers, and skill-based contributors to those providing ground-level assistance, monitoring and administrative support. Opportunities extend beyond employees to interns and associates, fostering Group-wide engagement, creating purpose-driven experiences, enhanced skills and networks, and pride in the organisation for volunteers, while extending the bandwidth of JKF which is purposefully limited to a lean administration of four dedicated personnel.

In 2025/26, volunteerism recorded an increase of 193%, with 2,500 volunteers contributing 4,842 instances and 15,096 hours, including flagship events such as John Keells English Language Scholarship Programme, Cinnamon Rainforest Restoration and Kala Pola (annual open-air art fair). Their commitment was further demonstrated in the aftermath of Cyclone Ditwah through steadfast engagement in ground-level activities in addition to the staff volunteering one day's pay for relief efforts. Strong employee engagement in CSR volunteerism was evident during the year, with many volunteer opportunities publicised by JKF being filled within minutes of communication.

During the reporting year, JKF undertook the development of a Volunteer App custom-made for the John Keells Group. The app is aimed at digitising the full volunteer process from discovery and registration, to tracking of volunteer activity, time, and feedback, which in turn would positively impact reporting and recognition of volunteerism across the Group.







EMPLOYEE ATTRITION

Managing employee attrition continues to be a key focus area for the Group, especially in industry groups that experience higher attrition rates due to the nature of the business and market competitiveness in attracting talent. The loss of experienced employees may affect operational continuity, institutional knowledge, and overall workforce capability. Recognising this, the Group has identified talent attrition as a risk, within its Enterprise Risk Management framework.

Elevated levels of attrition may result in the loss of critical knowledge and expertise, reduced productivity during transition periods, increased recruitment and training costs, and challenges in sustaining long term organisational performance. It may also limit the development of internal succession pipelines and create opportunities for competitors to attract experienced talent, particularly in specialised or service intensive sectors. To mitigate this risk, the Group places strong emphasis on talent retention and long term succession planning at the highest levels of management. Further details on initiatives taken to retain talent are discussed in the Learning and Development section.

The Hotel Management Sector has specifically identified talent retention and service quality within the Enterprise Risk Management framework as well as a sector relevant SRRO, reflecting the service intensive nature of hospitality operations and the sector's reliance on experienced service staff. Challenges in retaining skilled employees may affect service consistency, operational efficiency, and guest experience, while also increasing recruitment and training costs. In the near term, this may lead to higher payroll and related expenses, placing some pressure on operating cash flows. In response, the sector continues to strengthen workforce planning, multi-skilling initiatives, and competitive remuneration structures, while investing in training academy programmes to enhance employee capabilities and career development opportunities.

During the year under review, the Group reported a 25% attrition rate among its executive workforce reflecting a reduction compared to the previous year. This improvement reflects the Group's commitment to further strengthening retention through the implementation of targeted measures to effectively manage attrition at both the Group and individual industry group levels.

Exits by Gender Identity

Male		Female	
58%	7,485	5,508	42%

Exits by Region

Local		Overseas	
99%	12,865	128	1%

Exits by Age Group

<30		30-50		>50	
11,020	85%	1,837	14%	136	1%

** The total employee exits include those from both the retail supermarket and BPO businesses, which traditionally experience higher attrition rates.*

Staff retention continues to be closely monitored by both HR and business leaders. Exit interviews are carried out for employees leaving the Group. Group HR facilitates exit interviews for those at AVP and above levels whilst the sectors manage the process for other levels. This feedback provides actionable insights that help the Group manage attrition.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant Business Units against SASB Standards – page 398.

LABOUR AND HUMAN RIGHTS

The Group remains committed to upholding labour and human rights and has in place policies and controls to prevent their abuse in the course of its operations.

Child Labour

In line with the Group's policy on Child Labour, the businesses across the Group, do not engage children in employment and does not employ any person below the age of eighteen at the workplace. This approach is applied across the Group's operations and ensures that there is no risk of child labour or young workers being exposed to hazardous work.

Within the Leisure industry group, a sector specific Child Protection Policy, aligned to the Group's broader human rights framework, is in place and is reinforced through regular staff awareness sessions on child protection. The Destination Management business continues to train tour guides on the Group's position on child labour and forced labour, underscoring the obligation to report any suspected incidents to management and the appropriate authorities. Further strengthening its commitment, the business maintains consultative membership in national policy development on voluntourism through ECPAT Sri Lanka, a network dedicated to ending the sexual exploitation of children. It also collaborates closely with the National Child Protection Authority to promote peer learning, share best practices, and enhance child protection and labour standards across the wider industry.

The Group's dedication to safeguarding children extends beyond its direct operations into the broader community through the John Keells Foundation's Project WAVE (Working Against Violence through Education), which continues to advance awareness and prevention efforts on child abuse, as part of its focus Social Health & Cohesion. Staff volunteers from the Leisure industry group were trained as child protection trainers in 2023. During the year in review, these trainers conducted 16 awareness sessions on child protection for 217 members of the community.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant Business Units against SASB Standards – page 398.

Forced or Compulsory Labour

The Group maintains a zero-tolerance approach to forced or compulsory labour. No employee of the Group is required to work against their will or is subject to corporal punishment or any form of coercion in relation to their employment. In line with these standards, no significant risks relating to forced or compulsory labour were identified across the Group's operations during the year.

Employees are issued written contracts of employment specifying their terms and conditions of employment. Trainees and interns are also provided with formal agreements that set out the mutual obligations applicable to their engagement in addition to being recorded in HIVE, the Group's HR information management system, for transparency, governance and visibility.

Freedom of Association

The Group continues to strengthen a culture of open dialogue and collaboration, guided by principles of transparency and fairness. Mechanisms such as the Open Door Policy, Speak Up Policy, Chairperson's Direct, skip level meetings, and structured consultative forums such as Joint Consultative Committees (JCCs) support ongoing engagement and enable constructive interaction between employees and leadership. The Group recognises that consistent communication and meaningful consultation are vital in mitigating the risk of industrial disputes and in reducing attrition associated with unresolved grievances.

Formal Collective Bargaining Agreements (CBAs) are in place within the Consumer Foods industry group, reinforcing structured employee representation and negotiation. In the Leisure industry group, Memoranda of Understanding (MOUs) are in place at property level for all Sri Lankan hotels except Cinnamon Red Colombo, Kandy Myst by Cinnamon and Cinnamon Life. These industrial relations measures support the maintenance of fair labour and workplace practices. In businesses where CBAs or MOUs are not in place, terms of employment and working conditions are benchmarked against best practices relevant to each industry, reflecting the Group's continued focus on ensuring employee well-being across its diverse operations.

Continued engagement with trade unions and JCCs demonstrate the Group's commitment to open dialogue. Employees' rights to exercise freedom of association and/or collective bargaining are maintained in all operations of the Group reflecting its focus on equitable employment practices. No operations have been identified where these rights are at risk of being restricted or violated. Formal collective bargaining agreements which are established in the Consumer Foods industry group cover a total of 516 employees, representing 2.8% of the Group's total workforce. The agreements include clauses on notice periods and provisions for consultation and negotiation.

The Group ensures that employees or their representatives receive a minimum of 30 days' notice prior to any major operational change that could significantly impact them (except where such notice would violate market confidentiality considerations).

The Group's Employee Grievance Handling Procedure outlines the steps and timelines for addressing employee grievances, ensuring a structured and transparent resolution process. In line with the Group's open-door policy, employees are encouraged to raise concerns regarding the grievance process and outcomes through direct access to their HR teams and senior leadership. While employees are not currently involved in the formal design, review, or operation of the grievance mechanisms, feedback received through open-door interactions helps identify potential gaps and informs improvements. The Group remains committed to strengthening these processes through more structured stakeholder involvement and formal mechanisms for monitoring and evaluating effectiveness. Currently, grievance monitoring mechanisms exist at various stages of maturity across the Group's diverse sectors.

The Group is committed to establishing greater consistency by developing a robust, Group-wide system for monitoring and recording grievances. This will support more effective tracking, foster stakeholder engagement, and drive continuous improvement across all sectors.

Beyond the formal grievance mechanism, feedback received through open door interactions and other informal channels plays an important role in identifying potential gaps and strengthening existing processes. These informal insights complement the structured procedure and provide early signals that support proactive improvements.

Recognising the importance of maintaining trust and fairness in employee relations, the Group remains committed to further strengthening its grievance management framework through enhanced stakeholder involvement and more formalised systems for monitoring and evaluating effectiveness.

GOVERNANCE AND COMPLIANCE

The Group's conduct and compliance policies are designed to reinforce its commitment to uphold the highest standards of trust and integrity whilst creating a respectful and inclusive workplace for all.

The Group maintains a comprehensive Employee Code of Conduct designed to guide, support, and safeguard employees, businesses, brands, and stakeholders by ensuring that all employees consistently abide by the expected standards of integrity across every business within the Group.

Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing, and Sanctions

The Group places the highest value on ethical practices, with a zero-tolerance policy towards corruption and bribery in all its transactions. This policy outlines the principles and procedures that the Group will adopt to prevent, detect, and address bribery, corruption, fraud, facilitation payments, money laundering, terrorism financing, proliferation financing and sanction violations within the organisation and its business dealings.

Policy on Ombudsperson

The Group has appointed an Ombudsperson to provide employees with an independent, confidential, and impartial party to whom they can voice their concerns on any Code of Conduct violations and/or unethical behaviour.

Speak-up Policy

Employees are free to speak up on any concern about compliance and ethics experienced contrary to the Group's commitment to its values and ethics. Those who make a report in good faith under the Policy will be protected from retaliation.

Refer Assurance Mechanism section of the Corporate Governance Commentary for further information – page 342.

DIVERSITY, EQUITY AND INCLUSION

Diversity, equity, and inclusion (DE&I) remains central to the Group's long term success. The Group's sustained commitment to DE&I aims to maintain a work environment where all employees feel valued, respected, and are able to contribute their best work. These efforts extend beyond the organisation, shaping how the Group engages with suppliers and communities across its broader value chain.

The Group has identified specific ambitions under DE&I, in line with the 'Social' pillar of its ESG ambitions. The ambitions are aligned with the Group's identified priority pillars under DE&I which are mentioned below and are anchored by a core team of leaders who are passionate about the subject.

1. Gender Parity: Increasing female participation in the workforce and value chain.
2. Persons with Disabilities: Increasing career opportunities for persons with disabilities (PWD).
3. LGBTIQ+: Being inclusive of the LGBTIQ+ community

Through the ONE JKH initiative, the Group advances a merit based operating model that ensures equitable opportunities and fosters an inclusive environment in which all individuals can thrive, irrespective of differences in gender identity, ethnicity, sexual orientation, or disability status. The Group is an equal opportunity employer. Accordingly, the Group is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, and have potential for growth within the organisation.

A comprehensive DE&I Policy, together with the Gender Policy and the PWD Policy, reflects the Group's continued dedication to building a diverse workforce and ensuring equitable access to opportunities for all employees. The policy on Equal Opportunity and Non-discrimination further underscores and enables these commitments. The Code of Conduct and associated governance policies reinforce a strict zero-tolerance approach to discrimination and harassment. The Group is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment. The Group operates a zero-tolerance policy for any form of sexual harassment in the workplace, treats all incidents seriously and promptly investigates all allegations of sexual harassment reported via internal channels or via the external ombudsperson, ensuring appropriate corrective action. Collectively, these policies and measures reinforce the Group's commitment to cultivating a workplace where diversity is embraced and inclusion is integral to the way business is done. A culture grounded in equity and inclusion strengthens the Group's employee value proposition, supporting its ability to attract and retain high calibre talent.

The Group continues to implement a suite of targeted initiatives designed to mitigate bias and enhance access to opportunity. These include training on unconscious bias, the introduction of 100 days of equal parental leave, specialised development programmes for women, the adoption of gender-neutral terminology, and efforts to increase female representation in nontraditional roles and leadership positions by removing structural barriers and building a supportive environment. Together, these initiatives reflect the Group's sustained commitment to building an inclusive workplace where employees and stakeholders are empowered to succeed.

The Group has pledged to achieve 40% female representation in its workforce by 2030. As at 31 March 2026, the Group recorded 34% female representation, an increase from 30% three years prior, demonstrating steady progress towards this commitment.

- Building on the initiative launched in 2021 to create awareness on unconscious bias through guided conversations, the Group continued to strengthen its efforts during the year under review. A series of awareness sessions were conducted, reaching 338 managers and above-level staff from across the Group. As the next phase of this journey, 16 employees representing all industry groups were trained as internal facilitators on unconscious bias. These internal trainers will commence rollout of awareness sessions.
- For the fourth consecutive year, the Group served as a key sponsor of Colombo PRIDE. The Group remains committed to advancing economic empowerment for all through its inclusive stance toward the LGBTIQ+ community.
- The SanNap initiative that provides free sanitary napkins to all female employees, continued to expand its reach, supporting more than 6,000 women across the Group. The initiative aims to address period poverty while normalising conversations on menstrual health. During the reporting period, the Group expanded the conversation to cover further topics on women's health such as breast and cervical cancer awareness, diet and lifestyle as well as perimenopause and menopause. Sessions on these topics were delivered by qualified medical professionals.
- The fifth edition of the Group's annual bilingual DE&I newsletter, JK Connect, was circulated among internal teams and value chain partners. The publication serves as a platform to enhance awareness of ONE JKH initiatives and share insights, knowledge, and success stories on DE&I from across the Group's ecosystem.

To uphold its DE&I principles and adherence to Group Values, the Group maintains multiple reporting channels, including the open-door policy, grievance handling mechanisms, Speak Up Policy, Chairperson Direct, and the Ombudsperson, ensuring employees can raise concerns related to discrimination or other grievances safely and confidentially. The Group is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment. No incidents of discrimination were reported during the period under review.

As an extension of the Group's commitments to DE&I, and in particular its zero-tolerance stance on violence, JKF through Project Wave undertakes awareness creation both within and outside the organisation on the critical issues of Gender-Based Violence (GBV) and Child Protection (CP). In addition to the external trainings by JKF, staff volunteers from across the Group were trained as GBV trainers in 2019 and 2023. During the year in review, staff GBV trainers facilitated 20 awareness sessions benefiting 1,312 individuals at group inductions, intern development programmes, and at the request of business units. Moreover, 148 staff completed the inhouse e-module on Preventing GBV and Sexual Harassment at Workplace and Child Protection in the reporting period. Eight high-performing GBV trainers were also recognised with BRAVO Awards at the Volunteer Recognition Day.

Details on the community focus are presented under Social and Relationship Capital.

Refer SLFRS S1 and S2 Disclosures section in this Report for performance of relevant business units against SASB standards – page 398.

HEALTH AND SAFETY

The Group places the highest importance on occupational health and safety across all operations, including employees, contractors, and where applicable, suppliers. Guided by the Group's Health and Safety Policy, each business unit conducts comprehensive risk assessments within its operations to identify potential hazards and implement appropriate preventive controls. These requirements are extended to contractors, and where relevant, suppliers through contractual clauses that define applicable health and safety standards based on the nature of work undertaken.

Health and Safety Policy

The Group is committed to ensuring a safe working environment for its employees and prides itself in providing a Safe Place to Work. The Group is similarly committed towards its contractors and visitors who are involved in any business or transaction with the Group.

Whilst adhering to the applicable national acts and ordinances relating to employee health and safety, most industry groups, where relevant, align their health and safety management systems with the ISO 45001:2018 standard and adopted sector specific guidelines to address operational risks.

The Consumer Foods, Leisure, Transportation, Retail, and Property industry groups together with the Plantation Services sector adhere to regulatory frameworks including the Sri Lankan Factories Ordinance, the Shop and Office Employee Act, and the National Occupational Safety and Health policy. Although the Financial Services industry group and Information Technology sector do not operate dedicated occupational health management systems, they comply with fundamental health and safety guidelines appropriate to their risk profiles and in alignment with the John Keells Group policies. All management systems and procedures are subject to both internal and external audits.

Sector level health and safety committees oversee compliance and implementation, supported by a Group-wide incident reporting mechanism that promotes transparency, accountability, and continuous improvements.

Recorded incidents are investigated and corrective actions are implemented using the Hierarchy of Controls, tailored to the operational context of each industry group. Risk mitigation measures include the elimination or substitution of hazardous processes, engineering controls such as safety barriers and automation particularly within the Consumer Foods, Transportation, and Retail industry groups. Administrative controls such as mandatory training, safety audits, and updated safety protocols promote compliance and risk awareness, while the provision of personal protective equipment (PPE) provides an additional layer of protection. Additional controls are applied to manage specific risks including electrical safety protocols, work at height permits, and confined space entry procedures. Collectively, these measures support a safer working environment and aim to prevent both minor injuries and high-consequence incidents.

Health and safety risk is formally recognised within the Group's Enterprise Risk Management framework. These risks are assessed alongside other principal risks and are subject to defined risk ownership, monitoring, and periodic review by senior management and relevant Board-level forums. Significant incidents and emerging risk trends are escalated in accordance with the established risk governance protocols.

Given the potential impact of health and safety risks on operational continuity, regulatory compliance, reputation, and financial performance, these risks are incorporated into strategic and operational decision-making processes across industry groups. Certain businesses have also identified health and safety as an SRRO, reflecting its direct impact on operational and financial performance.

As part of the Group Occupational Health and Safety management systems (some of which have obtained ISO 45001 certification) management practices such as health and safety debriefings, health and safety audits, near miss registers and CCTV monitoring systems are in place to record and mitigate such health and safety risks.

To manage potential financial exposures, the Group maintains workmen's compensation insurance and personal accident covers for employees. While climate-related health and safety risks, such as heat stress and exposure to climate induced natural events, are expected to increase marginally over the long term, a qualitative risk based assessment of existing controls and preventive mechanisms indicates that related insurance premiums are not expected to increase in the short, medium and long term on a per employee basis.

Worker Participation and Governance

Business units have established governance structures to enable active worker consultation and participation in occupational health and safety matters. Most business units operate joint management-worker safety committees, which meet regularly to review risks, incidents, and improvement actions. Employees are encouraged to contribute to hazard identification and safety improvements through established reporting and feedback mechanisms, supported by non-retaliation principles that promote open and transparent communication.

Where warranted by operational risk exposure, dedicated health and safety personnel oversee compliance and implementation at business unit level, while Human Resources and Administration teams support health and safety practices in office-based environments. These arrangements reinforce clear accountability, shared responsibility, and continuous improvement across the organisation.

Occupational Health and Safety Management

All Group entities comply, at a minimum, with applicable national health and safety laws and regulations. Business units have implemented occupational health and safety (OHS) management systems proportionate to the nature, scale, and risk profile of their operations.

These systems are designed to systematically identify, assess, and manage workplace hazards and are integrated into day to day operational processes. In higher-risk environments, entities further strengthen their approach through alignment with recognised standards, including ISO 45001:2018, supporting structured oversight and continuous improvement.

The OHS management systems apply to all employees across the Group. Notwithstanding variations in system design across sectors, 100% of the employees disclosed under the workforce composition on page 98 are covered by occupational health and safety measures in accordance with the Group's Health and Safety Policy. These requirements also extend to contract workers, service providers, and visitors operating under the organisation's control. Contractors are required to comply with company policies and site-specific procedures prior to commencement of work. Where risk exposure is elevated, additional controls including safety inductions, risk assessments, and permit-to-work processes are implemented to ensure safe operations.

Beyond site-level controls, health and safety considerations are embedded within supplier evaluation and monitoring processes. Significant suppliers are assessed by business unit teams against defined health and safety indicators, including regulatory compliance, safety management practices, and risk control measures. Assessment outcomes inform supplier selection, renewal, and engagement decisions.

In addition, supplier contracts incorporate provisions requiring compliance with applicable health and safety legislation and the Group's safety standards. Suppliers are expected to deploy adequately trained personnel, provide appropriate personal protective equipment (PPE), and maintain safe working conditions within their operations. Contractual requirements also reinforce respect for worker rights and adherence to relevant human rights principles. Collectively, these measures support responsible value chain practices and mitigate health and safety risks beyond the Group's direct operations.

Standards and Certifications Applied Across Industry Groups

Transportation	ISO 45001:2018 Bunkering and Logistics businesses
Consumer Foods	ISO 45001:2018 Beverages, Confectionery and Convenience Foods businesses
Retail	ISO 45001:2018 Distribution centre and a supermarket outlet certified (other outlets operate in alignment with the framework)
Leisure	ISO 45001:2018 Hotels & Resorts
Property	ISO 45001:2018 VIMAN and K-Zone

Risk Identification and Management

The Group applies a structured and proactive approach to identifying hazards and managing occupational health and safety risks across all operations. Hazard identification is carried out through routine workplace inspections, job-based risk assessments, near miss reporting, safety meetings and internal audits. Non-routine activities including new processes, equipment installations, and other high-risk tasks are subject to specific risk assessments prior to implementation.

Risks are assessed based on their likelihood and severity, taking into account task frequency, historical incidents, existing controls and potential consequences. Risk mitigation measures are implemented in line with the hierarchy of controls, prioritising elimination and substitution, followed by engineering and administrative controls, with PPE used where residual risks remain.

Competent and trained personnel, including health and safety officers and operational managers, are responsible for conducting and reviewing risk assessments. Findings are documented, communicated to relevant teams, and used to strengthen procedures, training programmes, and preventive controls. Risk assessments are reviewed periodically and updated to reflect operational changes, emerging risks, and lessons learned from incidents, supporting the continuous improvement of the Group's health and safety management system.

Health and safety services across the Group encompass preventive, monitoring, and emergency response mechanisms. Highly operational sites are supported by on-site medical clinics, qualified nurses, and visiting medical practitioners as well as certified first aiders, where required. Comprehensive emergency response plans are implemented across operations, subject to periodic review and reinforced through drills and simulations to assess readiness and strengthen response capabilities.

Employees and contract workers have the right to remove themselves from situations they reasonably believe pose a serious risk to their health or safety. Such instances are required to be reported immediately to supervisors to enable prompt assessment and corrective action, without fear of reprisal.

Risk Management and Hazard Identification Practices by Industry Group

Industry Group/ Sector	Risk Assessment Methodologies & Framework
Transportation	» Formal risk assessments aligned with ISO 45001:2018; routine HIRA systems; management review of non-routine and high-risk activities
Consumer Foods	» Formal risk assessments aligned with ISO 45001:2018; routine Hazard Identification and Risk Assessment (HIRA);
Retail	» Workplace-based risk assessments; regular safety inspections; incident and near miss reporting reviews
Leisure	» Formal risk assessments aligned with ISO 45001:2018; pre-task risk reviews; continuous monitoring and audits across properties
Leisure – Inbound	» Continuous risk assessments; contractor safety evaluations
Property	» Risk assessments aligned with Group policies; contractor risk reviews and site safety inspections
Financial Services	» Ergonomics, fire safety, and general workplace hazard monitoring
Other, incl. Information Technology and Plantation Services	» Ergonomic and electrical safety reviews; incident trend monitoring

Safety Culture, Training, and Competency Development



First aid training for workers at VIMAN.

The Group promotes a proactive safety culture supported by structured training, collaboration, and ongoing oversight. Employees and contractors receive occupational health and safety training at induction and periodically thereafter to ensure they are equipped to perform their roles safely. Core programmes include emergency preparedness and response, fire safety, first aid, safe work practices, and manual handling.

Additional training is tailored to the operational risk profiles of each industry group and delivered through appropriate platforms, including internal academies and digital learning systems. Competency requirements for higher risk roles are defined and monitored to support effective implementation. Employees and contract workers are encouraged to report hazards, unsafe conditions, and near misses through established channels, supported by a non-retaliation framework that protects individuals who raise safety concerns in good faith.

Within the Destination Management business sector, targeted measures are implemented to address driver health and road safety risks. These include the provision of safe accommodation to support adequate rest, periodic medical check-ups, Royal Society for the Prevention of Accidents-certified road safety training, and mandatory first aid certification for drivers, strengthening fatigue management, emergency preparedness, and passenger safety.

The Supermarket business has identified workplace health and safety as a relevant risk, recognising that inadequate safety controls or limited employee awareness may lead to workplace incidents. Such incidents may adversely affect employee well-being, disrupt operations, and result in financial and reputational impacts. In response, the sector continues to strengthen workplace safety practices and employee awareness initiatives while fostering a stronger safety culture to support workforce well-being and operational continuity.

"The Group promotes a proactive safety culture supported by structured training, collaboration, and ongoing oversight"

Trainings Provided by Industry Group

Industry Group/ Sector	Training Provided
Consumer Foods	» PPE training; working at height safety; ammonia safety and awareness; confined space entry training.
Retail	» Online OHS training delivered via the Keells Retail Academy platform (generic and role-specific modules); machine and equipment safety; working at height; electrical safety; manual handling; fire response and evacuation procedures.
Leisure	» Training delivered through the Cinnamon Online Academy; internal auditor certification training (ISO 22000:2018, ISO 14001:2015, ISO 45001:2018); firefighting, first aid and lifeguard training: emergency preparedness and response training; food safety; Legionella awareness, chemical safety, work at height and confined space entry procedures.
Other, incl. Information Technology and Plantation Services	» First aid training (including snake bite management); ergonomics and workplace posture training; practical electrical safety; chemical and hazardous materials handling; pandemic response.

Accident and Incident Management

Each business unit maintains structured processes for recording and managing work-related accidents and incidents in line with regulatory requirements and internal reporting protocols. Employees are trained to promptly report incidents and near misses using standardised systems to ensure timely, consistent, and complete capture of safety data.

All work-related incidents are investigated in a timely manner to identify root causes and contributing factors. Where required, risk assessments are reviewed and corrective and preventive actions are implemented in accordance with the hierarchy of controls. Key findings and lessons learned are communicated across relevant operations to prevent recurrence and strengthen overall safety performance.

Health and safety performance is monitored through key indicators, including the number of accidents, fatalities and near misses. During the reporting period, the Group recorded two work-related fatalities and zero high consequence injuries among employees and contractors.

The injury record summary for 2025/26

Injury Category	Employees	Contractors' personnel
High-consequence injuries (No.)	-	-
High-consequence Injury rate (%)	-	-
Recordable injuries (No.)	279	34
Recordable injury rate (%)	1.50	0.51
Total hours worked (Mn)	37.12	13.49
Fatalities (No.)	-	2
Fatality rate (%)	-	0.03

**Injury and fatality rates calculated per 200,000 hours worked.*

Type of Injury Due To	Employees	Contractor's Personnel
Falling	84	06
Malfunctioning of equipment	1	1
Explosions and exposure to harmful rays/substances	15	2
Electrocution	3	-
Cuts, pricks and sharp objects	38	22
Roadside accidents/vehicle collisions	1	1
Lifting or moving heavy items	124	2
Natural disasters and other causes	13	-

Preventive Health Interventions

Beyond occupational safety, the Group places strong emphasis on enabling employees to take proactive and preventative care of their health. Industry groups provide access to healthcare support, including medical insurance, health screenings, and ongoing monitoring programmes for employees and, where applicable, contracted workers.

Initiatives to support employee health include medical and vision checkups, fitness programmes, mental health support, and targeted health awareness campaigns. These interventions are supported by structured communications designed to encourage participation and sustained engagement.

The Group reinforces its commitment to employee mental health by sponsoring confidential mental health counselling sessions through CAFS (Child and Adolescent Family Services). This initiative provides employees with access to professional psychological support, help build resilience, manage stress, and contribute to a healthier, more supportive workplace environment.

Targeted health promotion programmes are implemented to address occupational and non-occupational health risks identified through risk assessments and incident trend analysis. Effectiveness is monitored through participation levels, employee feedback, and review of health-related incidents and absenteeism trends, enabling continuous improvement in employee health outcomes.

Refer SLFRS S1 and S2 Disclosures section for performance of relevant business units against SASB standards – page 398.

As outlined above, the Group's Human Capital agenda continues to strengthen organisational capability through robust talent acquisition, performance management, and competitive compensation and benefits frameworks. Targeted learning and development initiatives build future-ready competencies, helping mitigate the risk of insufficient skills across critical roles. Strong employee relations, constructive collective bargaining, and a sustained focus on HR compliance, human rights, diversity, equity and inclusion reinforce a fair and empowering workplace culture. Continued emphasis on employee well-being and occupational health and safety further supports engagement and retention, reducing the risk of talent loss. Collectively, these efforts contribute to a resilient, motivated and high-performing workforce, positioning the John Keells Group as an employer of choice.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

The Group is committed to delivering positive social impact to our communities and other stakeholders through meaningful engagement across its value chain, building sustainable relations that enrich collaboration.



Rs.**396** million
Group Spend on CSR (includes disaster relief)
2024/25: 230 million

1,682,222
Persons impacted through community engagement
2024/25: 1,837,676

15,096
Volunteer hours
2024/25: 4,891

129
Supplier environmental and social assessments
2024/25: 116 assessments

56%
Purchases from local suppliers
2024/25: 85%

0
Incidents of customer health and safety
2024/25: 0

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SOCIAL AND RELATIONSHIP CAPITAL REVIEW

Key Highlights

Supply Chain Management

» Ceylon Cold Stores PLC purchased produce valued at ~Rs.7.47 billion from local farmers, supporting livelihoods and enhancing the community's economic well-being.

» Through the Safe Farm to Fork initiative, Cinnamon Hotels & Resorts supported 101 SMEs to strengthen food safety, compliance, traceability, and sustainability across the local supply chain.

» JMSL sourced ~Rs7.66 billion worth of fresh produce through the Keells *Govi Diri* programme, supporting the livelihoods of local farmers.

Product Safety and Quality

» Cinnamon Grand Colombo upgraded its food safety management system from ISO22000 to FSSC 22000 certification improving consistency and robustness of food safety controls.

John Keells Foundation

Education

» Nithulemada Model Pre-school in Kandy District was constructed and vested in the community by John Keells Foundation (JKF) through a multi-stakeholder collaboration, providing equitable access to early childhood education starting with 18 students.

» JKF's English language Scholarship Programme, operative for over 21 years, commissioned the second impact assessment of its English for Teens Programme covering 700 beneficiaries over the past ten years. Findings validated significant gains in English proficiency, education outcomes, employment opportunities, and community participation.

» JKF's Skill into Progress (SKIP) programme, as adapted and piloted by JMSL, towards enhancing English language and life skills of selected youth in communities around Keells outlets, benefited 1,041 participants in 10 locations.

» Cyclone Ditwah Relief efforts led by various Group businesses in collaboration with partner organisations, supported over 2,900 school children with meals, learning supplies, play materials, and essential school items across multiple districts.

Community and Livelihoods

» Under John Keells *Praja Shakthi*, a sustainable community empowerment initiative centred around locations of identified businesses of the John Keells Group, 137 entrepreneurs enhanced their skills, market access, and incomes. The beekeeping project in Habarana recorded its first harvest, whilst the women-centric mushroom SME in Ja-Ela recorded their first sales through Keells supermarkets.

» Kala Pola 2026 - Sri Lanka's renowned annual open-air art fair presented by the George Keyt Foundation in partnership with JKF - and the Sri Lankan Art Gallery - the digital art gallery hosted by JKF, showcased the creations of 2,258 artists, creating wider income opportunities, visibility, networks, and exposure.

» JKF continued to partner various initiatives aimed at strengthening Sri Lanka's creative economy, positively impacting the livelihoods of 843 artists, dancers, writers, and other creative practitioners.

» Group coordinated Cyclone Ditwah relief efforts supported thousands of individuals through the provision of dry rations, drinking water, medical supplies, prepared meals, well-cleaning, and health screenings.

Social Health and Cohesion

» Awareness and training programmes focused on the prevention of gender-based violence, child abuse, and substance abuse reached over 655,777 school children, teachers, parents, and relevant Government officials.

» Arts-related initiatives aimed at fostering inclusivity, social cohesion and the creative economy benefited 46,964 persons.

Awards and Accolades

» Walkers Tours was awarded the 'Best Sustainable Practices in Specified Tourist Services' at the Sri Lanka Tourism Awards 2024.

» Ceylon Cold Stores PLC received the 'National Award of Excellence for Best Supply Chain Practising Organisation' in 2025, with a commendation in the Extra Large - Manufacturing category.

» At the Sri Lanka National Quality Awards 2025, organised by the Sri Lanka Standards Institution (SLSI), Ceylon Cold Stores PLC secured the award in the Large Scale -Manufacturing category, Keells Food Products PLC in the Medium Scale - Manufacturing category, while Jaykay Marketing Services received a Merit Award.

Standards and Certifications

Demonstrating a strong commitment to social sustainability, the Group aligns its operations with globally recognised standards including ISO 9001:2015 for quality management, FSSC 22000 and ISO 22000:2018 for food safety, and Good Manufacturing Practices for safe production practices, alongside TourCert and Travelife for responsible tourism. These frameworks reinforce robust governance, product safety, ethical practices, and community well-being across the value chain.

The following capital review is presented within the context of the Group's application of a double materiality approach, to identify its material impact topics aligned with the Global Reporting Initiative (GRI) Standards, and the identification of financially material sustainability-related and climate-related risks and opportunities (SRROs and CRROs) aligned with the SLFRS Sustainability Disclosure Standards S1 and S2.

Internally defined focus areas, which reflect key areas of the Group's management approach, strategies and performance, provide an overview of how relevant material topics are managed within the Group. These focus areas also provide a broader overview of management approaches relating to other areas associated with this capital and addressed within the Group.

Refer Determining Materiality section for further details on the double materiality approach.

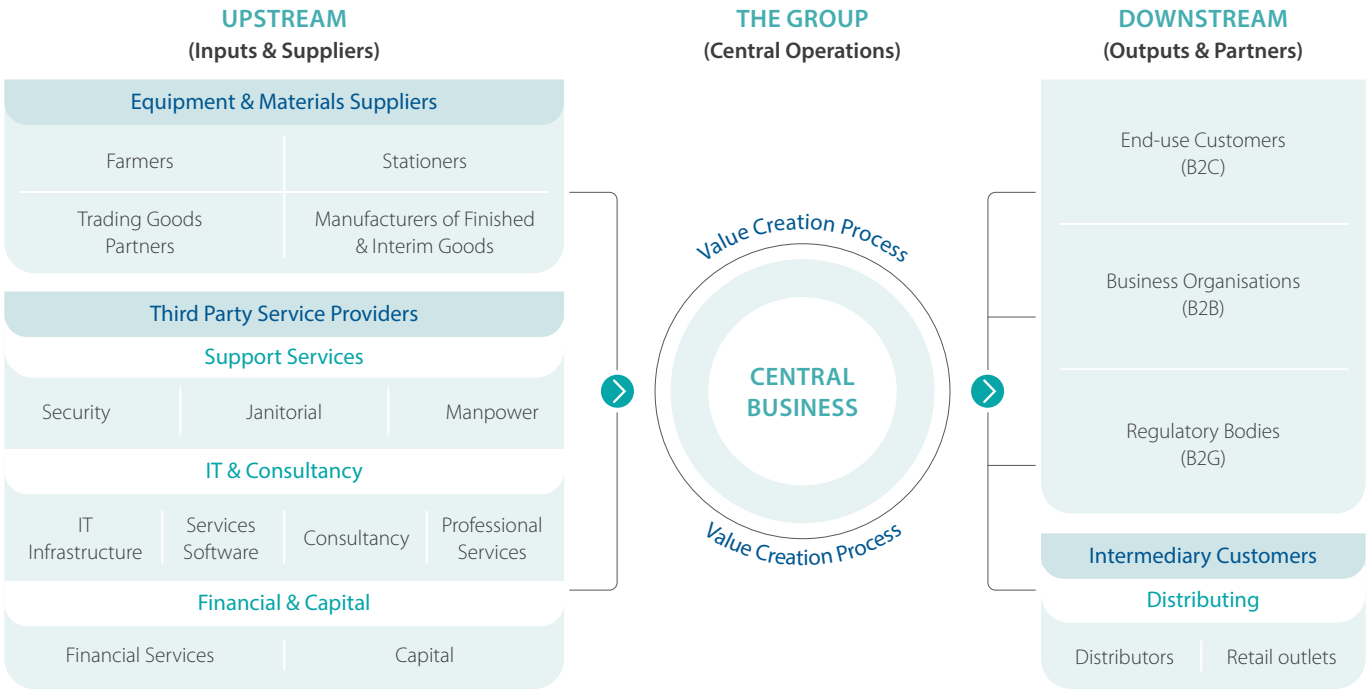
Within the Social and Relationship Capital Review, the focus areas cover the following from an impacts, and risks and opportunities perspective:

» importance of material topics;

» the Group's approach to managing these material topics;

» performance of material topics, reflected through relevant metrics and disclosures.

The Group is cognisant of the fact that its own sustainability journey is intrinsically woven with the sustainability practices of its value chain. Therefore, strong and sustainable relationships with customers, suppliers, communities and other stakeholders underpin the Group's Social and Relationship Capital and its ability to create long term value, mitigate actual and potential negative impacts whilst enabling the promotion of sustainable and responsible practices across its value chain. The Group thus fosters constructive engagement across its value chain, strengthening partnerships that support shared growth and responsible business conduct.



The Group's Value Chain Partners

The diagram above illustrates the Group's value chain and its key stakeholders across upstream, operational, and downstream activities. These include suppliers of equipment, materials and services, internal operations, and downstream partners including customers (B2C and B2B), distributors, retail outlets, and regulatory bodies.

A more in-depth analysis of the Group's value chains and the sustainability -and climate-related risks and opportunities arising from such value chains is presented in the SLFRS S1 and S2 section of this report, while industry group specific value chains and their associated risks and opportunities are discussed in the relevant industry group sections.

MATERIAL TOPICS

Embracing a double materiality approach, the Group considers actual and potential impacts, as well as sustainability- and climate-related risks and opportunities across its value chain, from sourcing and operations to distribution and customer engagement. Structured governance frameworks ensure that stakeholder considerations are embedded in strategic and operational decision-making.

This strengthens stakeholder confidence, supports positive social outcomes, and enhances the Group's ability to proactively manage social and relationship capital risks.

Social and relationship capital priorities are determined through a structured materiality assessment informed by stakeholder engagement, risk analysis, supply chain assessments, and benchmarking. In line with GRI Standards and SLFRS S1 and S2, this process evaluates social impacts alongside related risks and opportunities across the short, medium, and long term.

The Group's sustainability-related risks pertaining to its social capital are as follows:

Impacts	Risks	Opportunities
Business ethics and anti-corruption	Disruption to supply chain - due to acute physical risks- due	Enhancing Cross-sector circular economy solutions through supplier engagement
Product quality, safety, labelling and marketing communications	Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents	
Procurement, supply chain responsibility and resilience		
Labour rights in our value chain		
Local community empowerment		

Management of Social and Relationship Capital-Related Impacts, Risks and Opportunities

The management of social and relationship themes are considered within industry group specific objectives aligned with key social themes relevant to specific operations of Group companies.

The related impacts, risks and opportunities are managed through the following focus areas which enabled actionable priorities and a consistent approach across the value chain.

Focus Areas

These focus areas comprise the Group's responses to the identified material topics, considering impacts, risks and opportunities.

Performance is monitored through the Sustainability Management Framework using industry aligned indicators, including GRI and SASB Standards, benchmarked against historical trends and reviewed quarterly to ensure alignment with the Group's long term objectives.

Material Topic	Focus Areas Relating to Management of Material Topics
Product Quality, Safety, Marketing Communications and Labelling	Quality assurance, responsible communications and labelling
Procurement, Supply Chain Responsibility and Resilience	Procurement process and supply chain management
Local Community Empowerment	Social responsibility and corporate citizenship

QUALITY ASSURANCE, RESPONSIBLE COMMUNICATIONS AND LABELLING

Customer trust is fundamental to the Group's long term success and strength of its brand. The consistent delivery of safe, high-quality products and services across all industry groups is essential to maintain customer loyalty, sustaining market credibility and creating long term value. Given the scale and diversity of the Group's customer base, this topic is recognised as a material sustainability impact area due to its direct influence on customers well-being and overall stakeholder confidence.

Transparent consumer information and responsible marketing practices further reinforce trust, enabling customer to make informed decisions and strengthening the integrity of the Group's customer relationships.

To uphold the highest standards of trust, quality and safety, the Group embeds structured and rigorous assurance mechanisms across all its operations, including:

- Stakeholder engagement through surveys, structured feedback mechanisms and continuous dialogue.
- Established quality control frameworks supported by routine product testing and verification procedures.
- Ongoing monitoring of health, safety and regulatory compliance across operational sites.
- Pre-market quality and regulatory assessments for all products manufactured or directly controlled, with 100% of such products reviewed during the reporting period.
- Certification to internationally recognised management system standards to validate the robustness of quality and safety practices.
- Supplier audits, comprising internal assessments and independent third-party evaluations, to ensure alignment with Group standards and responsible sourcing expectations.

Incident Disclosure

Despite robust organisational controls, a safety-related incident occurred during the reporting period involving a Cessna 208 Amphibian aircraft operated by Saffron Aviation (Private) Limited. The aircraft was involved in a landing incident, for which a preliminary report has been issued by the Civil Aviation Authority of Sri Lanka and investigations are ongoing. There were no injuries or fatalities, and the Group is cooperating fully with authorities while reviewing the event under its safety and risk management framework.

Notwithstanding the above, no instances of non-compliance with applicable health and safety regulations were identified during the reporting period. Business units across the Group continue to voluntarily adopt both local and international standards and obtain recognised external certifications, where relevant. In line with this commitment, 100% of significant product and service categories were assessed for health and safety impacts during the year.

Food Safety Compliance

Food safety is critical to safeguarding customer well-being, ensuring regulatory compliance and protecting brand reputation across the Consumer Foods, Retail and Leisure industry groups. Any lapse could adversely impact consumer health, operational continuity and stakeholder trust.

Accordingly, food safety compliance has been recognised by these industry groups as both a material sustainability impact topic as well as a Sustainability-related Risk and Opportunity (SRRO), reflecting its significance and potential implications.

To ensure consistent and robust food safety management, the relevant sectors have implemented the following measures:

- Certification to recognised standards, including ISO 22000:2018, FSSC 22000, and applicable SLS certifications.
- Comprehensive internal food safety and quality policies, aligned with regulatory requirements and global best practices.
- Regular employee training programmes to reinforce food safety practices and operational controls.
- Periodic internal audits to assess compliance, identify gaps, evaluate system effectiveness and implement preventive and corrective measures.
- Structured incident reporting and monitoring mechanisms, ensuring timely escalation, root cause analysis and resolution.

Through this integrated approach of combining certification, internal policies, capacity building and continuous monitoring, the industry groups maintain a strong food safety management framework focused on risk prevention, mitigation and continuous improvement.

Management of Food Safety-Related Impacts, Sustainability-Related Risks and Opportunities

The Group's Consumer Foods, Retail and Leisure industry groups, in addition to Food safety compliance measures stated above, have introduced a number of proactive strategies to ensure that food safety impacts and SRROs are not only mitigated and managed, but also to have a forward looking approach to such impacts and risks. While financial quantification of risks will be undertaken in the forthcoming years, some of the key strategies linked to food safety are as follows.

- The Group's Consumer Foods industry group has identified strengthening and maintenance of its quality assurance systems as a key short to medium term priority. Over the longer term, the industry group will focus on further enhancing manufacturing facilities, cold-chain infrastructure, and supplier and distribution capabilities to support its premium positioning.
- In parallel, the industry group intends to leverage advanced technologies to enhance supply-chain traceability, enabling faster and more effective responses to product quality concerns. Compliance with all applicable local food safety requirements, as well as relevant international food safety standards. This forms the foundation of the industry group's approach to managing food safety risks.
- Strengthening collaboration across the value chain including upstream partners such as suppliers, downstream partners such as distributors and retailers, and engagement with regulators and other third parties remains a key medium term strategic focus for the Consumer Foods industry group.
- The Group's Leisure industry group aims to upgrade from ISO 22000 to FSSC 22000 certification across all hotels by 2030, enhancing food safety standards, with Cinnamon Grand Colombo already achieving certification as a key milestone.
- During the year, no significant fines or sanctions related to food safety were recorded.

Refer the SLFRS S1 and S2 sections and the respective Industry Group disclosures for further information on the strategies.

Labelling and Communications

Product quality, safety, labelling, and marketing communications are identified as a material sustainability impact topic for the Group, given their direct influence on customer health and safety, informed decision-making, regulatory compliance, and brand integrity. Ensuring clear, accurate, and responsible communication of product and service attributes remains essential to maintaining customer trust and safeguarding the Group's reputation.

Management of Labelling and Communications-Related Impacts, Sustainability-Related Risks and Opportunities

- The Group maintains a robust compliance and governance framework aligned with applicable product labelling and advertising regulations across its operating markets. This includes adherence to the International Chamber of Commerce Code of Advertising and Marketing Communication, the Food Act No. 26 of 1980, the Food (Labelling and Advertising) Regulations 2005, and the Consumer Affairs Authority Act No. 9 of 2003, as relevant to its operations. Structured pre-market clearance procedures, together with periodic compliance reviews, strengthen oversight and minimise regulatory and reputational risks.

Product:	Consumer Foods Industry Group 341 stock keeping units (SKUs) manufactured:	Retail Industry Group 383 stock keeping units (SKUs) sourced by JMSL for private labelling:
Carried information on the ingredients used	100%	72%
Carried information on the sourcing of components	6%	-
Carried details on the content or substances with environmental and social impact	-	5%
Carried information on safe use of the product	94%	61%
Addressed responsible disposal of the product	89%	92%

Refer the Consumer Foods and Retail Industry Group Review sections for further information on product-related details.

- Advertising and marketing communications are subject to formal governance mechanisms, including review by designated committees to ensure alignment with ethical, social, and regulatory standards. The Group adopts a zero-tolerance approach to non-compliance and actively monitors product-related fines and sanctions. During the reporting period, 23 instances of non-compliance relating to product labelling resulted in regulatory fines. No incidents of non-compliance in marketing communications were recorded, and no products or services were subject to bans or withdrawals across any operating region. Corrective action and staff awareness were carried out with a view on minimizing future incidents.
- To support accountability and transparency, Consumer Foods, Retail, and Leisure industry groups maintain established grievance-handling mechanisms, including social media monitoring, enabling timely, transparent, and responsive engagement with stakeholders.

  In line with its commitment to responsible communication, John Keells CG Auto (Private) Limited issued a public clarification during the reporting period regarding media reports on a specific consignment of vehicles, confirming compliance with applicable regulations and engaging constructively with relevant authorities.

  Given the nature of its operations, particularly within the Consumer Foods, Retail, and Leisure industry groups, the Group is exposed to risks relating to food safety, product integrity, labelling compliance, and responsible marketing practices. Accordingly, the risk of deviations from standard operating procedures leading to product quality, safety, marketing communications and labelling has been identified as a SRRO at the Group level. Any lapse could result in regulatory action, financial loss, reputational damage, and erosion of stakeholder trust. These risks are managed at a business unit level, primarily by the Consumer Foods and Retail industry groups, where exposure is most significant.
- Compliance with local labelling regulations, responsible marketing practices, and accurate communication of product and service attributes form the foundation of risk management. In the short term, these sectors focus on strengthening existing controls to prevent mislabelling, mispricing, and regulatory non-compliance.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

» Over the medium to long term, the Consumer Foods and Retail industry groups, supported by Group-level oversight, are enhancing traceability and strengthening supply chain collaboration to improve the accuracy and reliability of product information. These initiatives are expected to enable faster response mechanisms, reinforce compliance, and reduce the likelihood of product-related non-conformities, while supporting more resilient and transparent value chains.

Refer the Outlook and Risk and the SLFRS S1 and S2 Disclosures sections for further information.

PROCUREMENT PROCESS AND SUPPLY CHAIN MANAGEMENT

A well governed and responsible supply chain underpins operational continuity, customer trust, and long term value creation. This is supported by a diverse supplier base across Sri Lanka and the Maldives, combining centralised sourcing for common and high-value goods overseen by the Group Initiatives division with decentralised sourcing for business-specific needs. The Group Initiatives division further ensures a transparent supplier selection process through cross-functional tender evaluations based on defined financial, operational, and legal criteria.

Policy on Products and Services

The Group strives to maintain products and services at the highest standards by embracing best practice and complying with all relevant local and international regulatory requirements in the markets it serves. The Group strives to identify and assess environmental and social impact through communications, service, operations and supply chain of its products and services.

Suppliers are classified based on their significance to operations. Those accounting for ~80% of total procurement expenditure or providing critical, high-value assets are considered significant. Suppliers may also be designated as significant based on their potential environmental, social, or operational impacts, including reputational, strategic, or human rights risks.

Significant Suppliers of the Group

Transportation		Outsourced vehicle fleets	Goods for warehouse storage and distributions	Oil majors	Capital equipment	Maintenance, support services, and outsourced employees				
Consumer Foods		Dairy	Poultry	Sugar	Glass bottle	Fruit-based and agricultural ingredients	Plastic packaging	Paper and board packaging		
Retail	Supermarket Business	Dry food products	Frozen and chilled products	Fresh meat	Vegetable and fruits	Beverages	Liquor and Tobacco	Household items	Third party tenants (within premises)	Outsourced service providers	Bakery and prepared food suppliers
	New Energy Vehicles Business	New energy vehicles				Charging stations				
Leisure	Hotels	Food, beverages and amenities			Travel agents and travel websites			Casual employees		
	Destination Management	Hotels and other accommodation providers	Contracted retail stores		Freelance national guides	Jeeps and boats		Foreign travel agents and tour operators	Outsourced fleets	
Property	Property Development	Construction contractors				Architects and interior designers				
	Property Management	Food, beverages and amenities			Travel agents and travel websites			Casual employees		
Financial Services		Reinsurance partners			Outsourced service providers			Bancassurance partners		
Other, including Information Technology and Plantation Services	Other and Information Technology	Strategic software partners		Expert skills and knowledge partners		Outsourced operational functions		Outsourced support staff		Transportation providers
	Plantation Services	Tea factories and producers								

For reporting purposes, 'local suppliers' are those operating within Sri Lanka, while significant locations of operation include Sri Lanka and the Maldives.

In 2025/26, 56% of products and services were sourced locally, contributing to the domestic economy. However, this reliance also presents environmental, social, and operational risks, particularly in the Consumer Foods, Retail, and Leisure industry groups, where exposure to agricultural inputs and resource-intensive operations increases vulnerability to supply disruptions, cost volatility, and climate-related impacts.

Management of Procurement and Supply Chain-Related Impacts, and Sustainability-Related Risks and Opportunities

The Group adopts a structured approach to managing these risks through annual environmental and social impact assessments of significant suppliers, supported by independent sustainability assurance audits and internal reviews. During the year, assessments were completed for 129 suppliers and contractors, with no significant adverse impacts identified. In addition, 347 suppliers underwent independent audits, while 75 were assessed internally. Non-compliances identified were addressed through corrective action plans and follow-up.

Due to challenges and limitations in supplier management systems and prevalence of common suppliers, the Group is unable to report on the number of new suppliers assessed during the reporting year. All suppliers are required to comply with applicable laws and regulations in the countries in which they operate. These requirements are formalised through the Group's Supplier Code of Conduct, embedded within contractual agreements and communicated to suppliers across the Group's operations. The Group's Policy on Business Conduct and Ethics, which encompasses the Supplier Code of Conduct, is outlined in the Corporate Governance section.

During the year, the Group's anti-corruption policies and procedures were communicated to 100% of contracted business partners. These requirements include, but are not limited to, provisions on anti-corruption, human rights, and fair labour practices. In instances of serious non-compliance, contracts may be terminated and business relationships discontinued. During the year under review, one Group-level contract was terminated due to corruption-related violations after a formal investigation of the incident.

The Group also promotes responsible practices through continuous supplier engagement, including annual supplier forums, targeted training initiatives, and the issuance of the annual DE&I supplier newsletter, now in its fifth consecutive year, fostering inclusive practices across the supply chain. This is complemented by sector-specific programmes, including sustainable sourcing initiatives, the Sustainable Farming Programme supporting farming communities supplying perishables to JMSL, and the Safe Farm to Fork initiative by Cinnamon Hotels & Resorts, which enhances food safety, regulatory compliance, and responsible sourcing practices.

At the Group level, supply chain disruption arising from acute physical climate events is identified as a key climate-related risk. The increasing frequency of floods, droughts, and extreme weather events may disrupt supplier operations, logistics networks, and the availability of critical materials and services, resulting in delays, shortages, and cost volatility.

To mitigate these risks, the Group implements consistent measures across sectors, including maintaining alternate supplier networks, inventory buffers, and flexible logistics arrangements for critical inputs. Procurement lead times are adjusted during disruption periods, supported by ongoing supplier engagement and continuity planning.

At the industry group level, risk exposure varies. In the Consumer Foods industry group, environmental, social, and climate-related risks within agricultural supply chains may impact supply continuity and has been recognised as a sustainability-related risk and opportunity affecting raw material quality, costs, and reputation. These risks are primarily concentrated upstream and within logistics processes. In response, the industry group is strengthening supplier governance, improving traceability, and advancing sustainable sourcing practices, including diversification of high-risk suppliers.

In the Leisure industry group, reliance on a more limited supplier base increases vulnerability to climate-related disruptions, affecting the availability and cost of key goods and services and, at times, requiring short term sourcing substitutions and operational adjustments.

The Group monitors human rights-related risks within its extended supply chain as part of its broader risk management framework. While not currently identified as a prioritised material risk, these risks are addressed through supplier standards, procurement policies, and contractual requirements aligned with internationally recognised human rights principles. The Group requires suppliers and business partners to adhere to its Supplier Code of Conduct, which reinforces fair labour practices, non-discrimination, and the prohibition of forced labour. Based on supplier self-declarations and assessments, including audits where applicable, no significant risks were identified within the Group's supply chain during the year in relation to child labour, hazardous work involving young workers, forced or compulsory labour, or the denial of workers' rights to freedom of association and collective bargaining.

Refer SLFRS S1 and S2 Disclosures and the respective Industry Group Reviews for further information on the strategies.

Supply Chain Management Initiatives

Consumer Foods

- During the year, the sector assessed and audited 73 existing suppliers for social and environmental impacts.
- Ceylon Cold Stores PLC made a significant impact by purchasing produce valued at ~Rs.0.803 billion from local farmers during the year, thereby supporting their livelihoods and enhancing the community's economic well-being.

Product	Total Annual Supply	Number of Farmers
Vanilla	428 Kg	3,800
Kithul Jaggery	21,000 Kg	1,000
Treacle	64,540 L	420
Cashew nuts	46,910 Kg	10,000
Groundnut	49,000 Kg	10
Chopped Pumpkin Preserve	78,050 Kg	25
Ginger	55,000 Kg	220

Retail

» Under the Keells *Govi Diri* programme initiated by JMSL, an average volume of 38,597,505 kg of products were sourced during 2025/26 through Agripreneurs, valued at ~Rs.7.66 billion. Through this programme, the business strives to ensure consistency in production and availability of produce sourced through the Agripreneurs.



Keppetipola technical training by the Keells Govi Diri programme for Agriprenuers.

Leisure

» Under the Cinnamon Supplier Impact Assessments initiative, Cinnamon Hotels & Resorts conducted annual evaluations of the Health, Safety and Environmental (HSE) footprint of its suppliers alongside their impact on scope 3 emissions. The initiative is primarily aimed at achieving 100% supplier coverage for HSE assessments by CY2030, while also supporting the identification of small vendors and suppliers requiring targeted capacity-building and support.

» 30 suppliers comprising 13.27% of all suppliers were assessed by the Cinnamon Supplier Impact Assessments initiative and 94% of food suppliers were audited.

Safe Farm to Fork 2.0

Building on the success of the Safe Farm to Fork project, Cinnamon Hotels & Resorts continued strengthening Sri Lanka's local supply chain in 2025/26 through structured food safety audits, regulatory alignment, and ongoing supplier capacity building. The initiative supports nearby SMEs, enhancing food safety, compliance, operational standards, and sustainability, while promoting local economic growth, traceability, and reduced transport risks.

A total of 101 SMEs, including 20 women-led businesses, were supported during the year. Supplier management improvements included a revised Good Manufacturing Practices (GMP) audit checklist, formalised corrective action tracking, enhanced documentation for medical certification and water testing, alignment with internal food safety systems, and integration of traceability checks.

During the year, 213 initial and 51 follow-up independent audits were conducted, alongside four training programmes reaching 165 suppliers. Continuous capacity building amounted to 1,251 hours, comprising 816 auditing and 435 training hours.

SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP

Policy on Social Responsibility

The Group believes in meaningfully enriching the lives of communities and wider society of which it is an integral part. The Group abides by the values of 'Caring, Trust and Integrity' by ensuring that the Group's actions demonstrate its commitment to and respect for all stakeholders, including the communities and the environment in which the Group businesses operate.

JKF continues to address some of Sri Lanka's most critical social, economic, and environmental challenges through four strategic focus areas: Education, Community and Livelihoods, Social Health and Cohesion, and Biodiversity. These initiatives extend beyond financial assistance or short term relief, being designed as structured programmes that create equitable opportunities and address systemic barriers to holistic development through sustained interventions and long term partnerships.

The programmes equip children, youth, and women-led SMEs with the knowledge and skills required for higher education and employment, enable market access and sustained income generation, promote the creative economy, strengthen social health and cohesion, and support the conservation of vital ecosystems. These programmes, embedded within the Group's Environmental, Social and Governance (ESG) framework, create and leverage opportunities that transform lives and partner nation building efforts. The Group's continued commitment of allocating 1% of profit after tax (PAT) ensures funding of JKF's operations, while individual businesses are at liberty to implement their own CSR initiatives, which are reported under the respective focus areas. 81.6% of Group businesses contribute to CSR through JKF; excluding any CSR spend undertaken at business level.

JKF's approach is guided by:

» Alignment with national priorities
» Commitment to the Sustainable Development Goals (SDGs)
» Adherence to the UN Global Compact (UNGC) principles

This ensures that our interventions remain relevant, cohesive, impactful, anchored in national economic growth, social inclusion, and environmental stewardship in alignment with global benchmarks.

» Business Engagement: Group businesses actively engage in JKFs initiatives by providing ground-level support and networking, conducting monitoring and follow-up, and partnering JKF in John Keells *Praja Shakthi* locations. These collective and structured efforts are a win-win for the community and the business, with potential for strengthening community linkages and sustaining programme impact over the longer term, while enhancing community/ brand loyalty, and supporting networking opportunities with the Government and other stakeholders.

» Government Collaboration: JKF works with central, provincial, and local Government bodies to identify and address national/ community priorities, fostering sustainable ecosystems, improving efficiencies and facilitating collective interventions while mitigating duplication of efforts and resources.

» Non-governmental organisations (NGOs) and Private Sector Partnerships: Strategic alliances with NGOs, International Non-Governmental Organisations (INGOs), and private entities enable JKF to leverage subject/locality knowledge, technical expertise and ground networks. These collaborations expand scale, optimise resources, and create shared value, amplifying the impact of our projects.

Through these partnerships and frameworks, JKF continues to deliver initiatives that respond to key development challenges, reinforcing the Group's commitment to responsible corporate citizenship. Whilst the work of JKF continues to create positive impacts through targeted initiatives that empower individuals, communities and the nation as a whole, the Group is also cognisant of the opportunities created by CSR activities undertaken at both JKF and business levels. These initiatives catalyse social development, complementing its robust contribution to the nation's economy, whilst also enabling a sound social licence to operate, identify talent for recruitment and enhance the marketability of the Group's products and services by addressing root causes for systemic poverty, economic disparity and social disharmony through targeted and sustained interventions. JKH undertakes social need and impact assessments to ascertain the requirements of the communities it intends to positively impact. The Group also strives to ensure that adverse social and environmental impacts such as waste generation, regressive social influences, including negative attitudes and mindsets, are comprehensively assessed with mitigation actions planned and undertaken to minimise potential risks arising from such impacts.

For more details on JKF and its projects, visit: www.johnkeellsfoundation.com



JKF Management Committee Members and support personnel.



Krishan Balendra, Chairperson of John Keells Group addressing JKF's key stakeholders at an event to mark its 20th anniversary.

Education

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

Improving Access to Early Childhood Education in Nithulemada

The establishment of the Nithulemada Model Pre-school was identified as a priority project due to inequitable access to early childhood education in the village, alongside longstanding social divisions that had hindered community cohesion. Establishing a well-equipped pre-school accessible to all was viewed as a catalyst to foster community harmony while providing an inclusive space to support children's early learning and development.

Recognising the need for a permanent and secure space, JKF, together with John Keells Properties (JKP) and the Victoria Golf Resort (VGR), initiated the project in collaboration with the Early Childhood Development Unit of the Ministry of Provincial Education, and Medadumbara Pradeshiya Sabha. Although the implementation was delayed by the Covid-19 pandemic, the subsequent economic crisis, and changes in provincial administration, the pre-school was completed and vested in the community during the reporting year, reflecting the sustained commitment and collective efforts of all stakeholders.

The inauguration, attended by community members, government officials, representatives of JKF and the Group, marked the culmination of this long term initiative. The pre-school now provides a permanent, accessible and well-equipped learning environment for children, offering immediate benefits to the village residents and long term value to the wider community. It has also been recognised as a potential provincial model for early childhood education.



Newly constructed Nithulemada Pre-School.



Hon. Minister K.D. Lalkantha, officials of the Central Provincial Council and Medadumbara Pradeshiya Sabha with JKH and Victoria Golf Resort representatives at the vesting ceremony.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

The initiatives set out below reflect the Group's sustained commitment to creating meaningful educational opportunities and resources for children and youth.

English for Teens under JKF's English Language Scholarship Programme (ELSP) initiated in 2004

Impact During the Year

901 pre-Ordinary Level students of under-resourced government schools in 13 districts of the island were provided with English language, IT and soft skills training.

JKF commissioned an external agency to conduct an impact assessment to evaluate the programme's effectiveness and long term outcomes. The research, which covered 700 beneficiaries over the past decade, validated impressive gains in English proficiency, education outcomes, employment opportunities, and community participation. Graduates of the programme reported a 45% boost in confidence and proficiency, with 61% achieving Grades A, C or S in G.C.E. Ordinary-Level examinations in English and 97% continuing to engage in English learning. Career and community benefits were notable, with 70% citing improved workplace performance, 68% taking on leadership roles, and 90% inspiring family and peers to learn English. Overall satisfaction remained high, with 78% rating the programme Excellent or Good, recording a mean score of 4.6 out of 5, underscoring its strong reputation and advocacy potential.

Skill into Progress (SKIP) programmes active during the reporting year

Impact During the Year

JMSL together with JKF adapted and piloted this programme with the aim of improving English language and life skills of youth in neighbourhoods around Keells outlets. Following the success of the pilot, the programme was extended to 8 locations, empowering over 1,041 youth.

University of Moratuwa Transport and Logistics Degree Programme Scholarship by the Transportation Sector in collaboration with JKF, initiated in 2006

Impact During the Year

112 undergraduates received customised English language scholarships, need and merit-based scholarships, structured mentoring, internships and industrial placements.

JKF's Higher Education Scholarship Scheme since 2014

Impact During the Year

133 disadvantaged students from various locations across the island were provided grants supporting G.C.E. Advanced Level and university education for the duration of the respective study programmes.

Career Guidance Programme for school children and youth since 2012 by JKF

Impact During the Year

74 G.C.E. Ordinary Level and G.C.E. Advanced Level students from three government schools in Moratuwa participated in a full day programme aimed at motivating and supporting informed decision-making regarding their future career pathways.

University Soft Skills Programme (The Final Step) initiated in 2006 by JKF

Impact During the Year

316 undergraduates of the University of Uva Wellassa were empowered with practical knowledge, career skills, and exposure to private sector and entrepreneurial opportunities.

John Keells *Praja Shakthi* Schools, initiated in 2004 (originally as "Neighbourhood Schools Development") by JKF

Impact During the Year

A Knowledge, Attitudes and Practices (KAP) survey was undertaken in Colombo 2 through ChildFund, to support the design of a customised mental health and well-being programme.

In Moratuwa, JKF initiated partner discussions to address the needs of slow learners. A workshop with Divisional Secretariat officials, the Divisional Education Director, and other stakeholders was held to identify practical solutions.

Cyclone Ditwah Relief Efforts - CY2025

Impact During the Year

Over 525 pre-school students across 15 pre-schools in Gampaha, Kandy, and Matale were supported with meals, learning supplies, and playtime aides through initiatives led by JMSL, in collaboration with JKCG, Sarvodaya, and other partners.

140 school children in the Badulla District were supported with school supplies by JKCG and Sarvodaya.

Essential school supplies such as bags, stationery, exercise books, and clothing were provided to children in Hemmathagama and Mawanella, in the Sabargamuwa province by LMS in partnership with the 100 Acre Temple.

40 schoolchildren in Matale, Central province, were supported with clothes and school stationery through Whittall Boustead Travel Limited (WBTL).

678 students of three schools were supported with book donations by Cinnamon Lodge Habarana and Habarana Village by Cinnamon. In addition, the banquet halls at the Cinnamon Habarana Complex were opened for schoolchildren to prepare for their end-term examinations.

Upskilling Youth by JMSL

Impact During the Year

184 youth benefited from structured learning and exposure opportunities through partnerships with universities and training bodies, including a Retail Certification Programme with the University of Kelaniya, industry exposure programmes, NVQ recognition for Keells Training Kitchens, and progressing MOUs.

A Brighter Future for Our Little Ones by JMSL

Impact During the Year

1,674 pre-school children were supported through 'A Brighter Future for Our Little Ones', with regular nutritious meals, learning supplies, safe outdoor play spaces, community garden plots, and child protection workshops.



Students performing at a provincial-based John Keells English Day 2025.



Undergraduates interacting at the Soft Skills Programme held at the University of Uva Wellassa in 2025.



Career Guidance Programme for school children under John Keells Praja Shakthi – Moratuwa.

Community and Livelihoods

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

Beekeeping for Sustainable Livelihoods and Biodiversity

The John Keells *Praja Shakthi* beekeeping initiative in Habarana was initiated in CY2023 by JKF, in partnership with Cinnamon Lodge Habarana and Habarana Village by Cinnamon, with technical support from *Ruk Rakaganno*, (the Tree Society of Sri Lanka), to create sustainable income opportunities for rural families while promoting biodiversity conservation. The project combines traditional practices with modern techniques, helping beneficiaries learn hygienic extraction methods and proper hive management.

The first harvest recorded during the year in review demonstrated both promise and progress, with beneficiaries producing wild bee honey, generating a premium income for their households. Upskilling is ongoing, including feeding bees during the rainy season to protect colonies and ensure long term viability.

The programme has evolved into a model of community resilience and business-led sustainability with plans underway to create market linkages with and through Cinnamon Lodge Habarana and Habarana Village by Cinnamon. In the reporting year, 15 beekeepers were supported, directly benefiting 72 individuals.



The initiatives set out below reflect the Group's sustained commitment to strengthening community resilience and supporting sustainable livelihoods across diverse locations.

John Keells *Praja Shakthi* Colombo 2 – Colombo Street Market initiated in 2022

Impact During the Year

The project aims to boost tourism, and livelihoods of low income residents in and around Colombo 2, particularly women. The project is currently under review for potential integration as part of the World Bank–supported Colombo City Heritage initiative.

John Keells *Praja Shakthi* Habarana - Community based Tourism Project implemented by JKF in partnership with Walkers Tours and Cinnamon Nature Trails and initiated in 2023

Impact During the Year

A kiosk and a promotional video were developed in collaboration with Walkers Tours to showcase the eco tourism potential of the Horiwila village including native treatment *(hela vedakama)*.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

John Keells *Praja Shakthi* Hikkaduwa – Hikka Batik Project initiated in 2019

Impact During the Year

25 artisans were supported, through sustained marketing opportunities via Hikka Tranz and an experiential visit to a renowned batik artisan in Matara as part of JKF's partnership as Festival Patron of the Matara Festival for Arts, a biennial, multi-day cultural event held in Matara, Sri Lanka, aimed at using art for regeneration and heritage preservation.

Weekly pop-up sales were facilitated at Hikka Tranz during the year.

John Keells *Praja Shakthi* Ja-Ela – Mushroom Entrepreneurship Project initiated in 2023

Impact During the Year

20 mushroom cultivators continued to be supported, directly benefiting 95 individuals, with additional indirect benefits to the families/dependents of the cultivators, suppliers, buyers, and the wider community. In addition, packaging and market access were successfully established with the support of KFP and Keells respectively.

Maintenance of the Kompanna Vidiya Railway Station initiated in 2003

Impact During the Year

The Group's long term public–private partnership with Sri Lanka Railways to preserve and maintain the historic Kompanna Vidiya (Slave Island) Railway Station as a heritage building located in Colombo 02 was continued through John Keells Properties, which undertook and funded a series of initiatives during the year. This project directly benefited and enhanced the daily experience of over 480,690 commuters in 2025/26.

Sustainable Farming - Initiated during the economic crisis in CY2022

Impact During the Year

Through the sustainable farming programme, identified farmers around the Group's business locations were provided with modern agricultural technology, inputs, equipment, and technical guidance to uplift their livelihoods. During the reporting period, 14 farmers continued to actively apply the tools and knowledge received, cultivating effectively and sustaining their livelihoods with resilience.

As an extension of this project, 74 farmers in Keppetipola, a town in the Uva province, were provided soil testing machines sponsored by JKF with related training from JMSL extension officers. Through guided sampling and farm-level soil analysis, farmers reported reduced fertiliser use, higher yields, and increased incomes, demonstrating both productivity gains and sustainable agricultural impact.

Rural BPO Project initiated in 2007 by Infomate (Private) Limited in collaboration with JKF and FARO (Foundation for Advancing Rural Opportunity)

Impact During the Year

A total of 45 associates, predominantly young women, engaged in sustained work outsourced by Infomate (Private) Limited, and carried out from within their own localities of Jaffna, Mahavilachchiya and Seenigama, being key locations in the country where pioneering rural Business Process Outsourcing (BPO) centres have been established.

Kala Pola 2026 with JKH's partnership with the George Keyt Foundation initiated in 1994 Sri Lankan Art Gallery initiated in 2014

Impact During the Year

Sri Lanka's premier open-air art fair, held for the 33rd year in partnership with the George Keyt Foundation, showcased a record 487 visual artists and attracted an estimated 13,689 local and international visitors. The event fostered market, networking and learning opportunities for artists, while harnessing the talent of 149 child artists through the Children's Art Corner. Kala Pola 2026 also saw the inauguration of the Deshamanya Ken Balendra Memorial Award for Best Emerging Artist.

The Sri Lankan Art Gallery - an online platform hosted by JKF free of charge to Sri Lankan visual artists aged over 18 years, showcased the works of 1,775 artists and 12,132 artworks, facilitating a year-round reach to potential buyers beyond Kala Pola.

Artist Spotlight initiated in 2024

Impact During the Year

The Artist Spotlight hosted by Cinnamon Life in partnership with JKF is a platform celebrating Sri Lankan creativity through contemporary art. It aims to build recognition of Sri Lankan artists in the global platforms, sustain the local art market, support social cohesion through cultural expression and enhance the overall attractiveness of Colombo as a destination city. During the reporting period four Artist Spotlight events were hosted at Cinnamon Life.

Union Assurance PLC's Suwamaga programme initiated in 2024

Impact During the Year

23,190 individuals were screened for diabetes, with outreach indirectly impacting 466,000 people.

Ethical Sourcing Policy for Own Label Suppliers by JMSL

Impact During the Year

4 model farm interventions were implemented by JMSL under the Asian Development Bank (ADB) supported programme to strengthen sustainable farming practices. Moreover, 2,112 farmers were trained on climate resilience.

JMSL's Food Redistribution programme & Perfectly Imperfect programme

Impact During the Year

On a monthly average, over 250,000 kgs of produce and over 3,500 prepared meals are redistributed through JMSL's Food Redistribution programme, reducing store level food waste and supporting low-income communities, religious groups, individuals, and animal welfare channels.

Over 640,114 kgs of visually imperfect produce were sold through 'Perfectly Imperfect' programme across 66 store locations, reducing food waste while maintaining affordability and quality.

Local Artisan Development by Cinnamon Hotels & Resorts

Impact During the Year

18 entrepreneurs including artisans resident around Cinnamon Bentota Beach, Trinco Blu by Cinnamon, Cinnamon Wild Yala, and Cinnamon Bey Beruwala were supported through dedicated marketplaces and display spaces, preserving traditional craftsmanship and creating sustainable income opportunities.

Cyclone Ditwah Relief Efforts

Impact During the Year

In the aftermath of the devastation caused by Cyclone Ditwah of November 2025, various businesses of the Group supported coordinated relief efforts through initiatives such as *Sirasa–Shakthi Sahana Yathra, Manusath Derana* and *Hiru Sahana Yathra*, reaching flood affected communities and rescue forces. Key interventions included:

- Distribution of over 62,690 five litre water bottles by Cinnamon Hotels & Resorts, CCS, KFP, and Union Assurance.
- Distribution of over 13,000 kilograms of dry rations by JMSL, Cinnamon Hotels & Resorts, CCS, and JKSB, along with 5,000 relief packs by KFP and 1,800 kilograms of fresh produce by JMSL.
- Distribution of over 5,400 sanitary items by Cinnamon Hotels & Resorts, Union Assurance, and CCS.
- Logistics support extended by JKLL to enable the timely delivery of relief supplies to affected areas.

In addition, several Group businesses undertook direct relief interventions across affected areas, including:

- Distribution of 8,000 prepared meals by CCS, Cinnamon Hotels & Resorts, and KFP.
- Farmer Relief Programme by JMSL, providing fertiliser and agricultural inputs to 150 farmers.
- Contribution of LKR 50 million by JMSL towards the Rebuild Sri Lanka program.

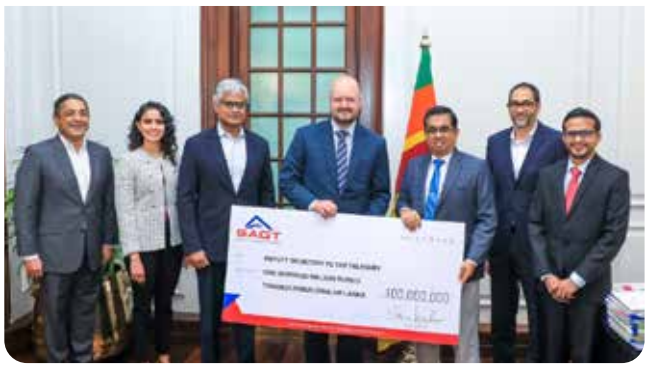
Sanitation support complemented these efforts, with the cleaning of 149 wells in Navagamuwa South and 184 wells in Ranala initiated by CCS in collaboration with JKF, restoring access to safe water for affected communities.



Kala Pola 2026.



Palmyrah artisans supported at Trinco Blu by Cinnamon.



Contribution of Group businesses towards recovery and rebuilding efforts following Cyclone Ditwah.



Well cleaning efforts by CCS in partnership with JKF following Cyclone Ditwah.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

Social Health and Cohesion

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

Strengthening Law Enforcement to Protect Women and Children

Through its flagship initiative Project WAVE (Working Against Violence through Education), JKF continued its longstanding commitment to combat gender-based violence and child abuse including its collaboration with the Sri Lanka Police. In 2024/25, JKF sponsored a cutting-edge global investigative software tool for the Cyber Investigation Unit at the Sri Lanka Police Bureau for the Prevention and Investigation of Abuse of Children and Women (BPIACW). This technology enables authorities to efficiently analyse and connect data, significantly strengthening their ability to investigate and address online exploitation and related offences. Alongside specialised training, the tool has enhanced case handling and empowered law enforcement to provide timely, effective, and sensitive responses to complaints involving women and children.

Within its first year of deployment, BPIACW reported commendable results: 22 children rescued, 21 suspects arrested, and 111 cases filed in court. These outcomes underscore the importance of strategic public-private collaborations that combine technology, training, and social commitment to build a safer, more progressive nation.





At BPIACW and simulation of how the software is used.

The table below summarises key initiatives and outcomes under the Social Health and Cohesion focus area during the year.

Project WAVE (Working Against Violence) through Education - Combating gender-based violence and child abuse initiated in 2014

Impact During the Year

Aimed at fostering a healthy and productive community while strengthening law enforcement, JKF, through Project WAVE, conducted training of trainers for 85 police officers in Mount Lavinia, Kaduwela, Homagama, and Maharagama police divisions in addition to carrying out awareness programmes and initiatives for 69 members of our *Praja Shakthi* communities as well as awareness and training for 3,016 Group staff.

JKF commemorated the International Day for the Elimination of Violence Against Women through a social media campaign impacting 649,038 individuals. Internally, a week-long email series sensitised staff on GBV and JKH's Policy Against Sexual Harassment, concluding with a widely participated quiz.

JKF marked National Children's Day organising awareness sessions on personal and cyber safety in collaboration with Cinnamon Hotels & Resorts, reaching over 1,075 students and parents. Additionally, a school art competition and wall mural were completed in Colombo 2, serving as creative expressions of the importance of child protection for students and the wider community.

Substance Abuse Prevention initiated in 2016

Impact During the Year

A five-day social media awareness campaign under the theme #BreakingTheChains was launched on 26 June to mark the International Day Against Drug Abuse and Illicit Trafficking. Awareness sessions were conducted successfully in Colombo 2, with the participation of 197 students and 62 parents and teachers from five schools.

Sunera Foundation Workshops support since 2019

Impact During the Year

JKF continued its sponsorship of the Sunera Foundation's workshops in Dehiwala and Panadura, promoting artistic expression and social inclusion for individuals with disabilities, directly benefiting 87 children and youth. The Sunera Foundation is an organisation dedicated to enhancing the quality of life of persons living with disability. The initiative fosters creativity confidence and community integration, and has enabled select participants to access livelihood opportunities through performance.



Training of trainers programme for police officers under Project WAVE

Empowering Sri Lanka's Creative Economy

As part of the Group's longstanding patronage of Sri Lanka's creative economy, JKF continued its strategic partnerships with art-based organisations during the reporting year, going beyond providing grant funding to creating shared value through agreed programmes.

Museum of Modern and Contemporary Art Sri Lanka (MMCA)

Since CY2019 to present

Impact During the Year

MMCA continued to shape Sri Lanka's cultural landscape. Highlights included showcasing Minnette De Silva's Watapuluwa Housing Scheme at the Thai Biennale in Phuket, participation in international events, and MMCA's first-ever pop-up exhibition, 'Three Songs of Ceylon'. Over the year, MMCA welcomed 17,027 visitors and facilitated learning for more than 2,079 individuals through its visitor educator programme, museum intensives, patron tours, and related activities.

The Gratiaen Trust

Since CY2019 to present

Impact During the Year

JKF continued its primary sponsorship of the Gratiaen Trust, supporting Sri Lankan authors writing in English and translating literature from Sinhala or Tamil into English. The 32nd Gratiaen Prize, the country's prestigious and only award of its kind, held at the iconic Cinnamon Life, attracted a record 96 entries. Further the Trust continued to develop writers via targeted workshops and masterclasses.

Chitrasena Vajira Dance Foundation (CVDF)

Since CY2018 to present

Impact During the Year

JKF provided grants towards CVDF's memorial performance and exhibition held to commemorate Guru Vajira Chitrasena's first year death anniversary as well as the *Parampara* performance that was featured within Colomboscope 2026.

HSBC Ceylon Literary and Art Festival (CLAF)

Since CY2025 to present

Impact During the Year

For the second consecutive year, JKF was the Patron of the Arts Festival of CLAF and sponsored the curated art exhibition of the festival's 3rd edition under the theme 'The Resilient Isle.' The festival featured 19 artists, including eight Kala Pola artists, whose works reflected Sri Lanka's capacity to endure, adapt, and transform amid social, political, and environmental challenges.

JKF's patronage strengthened artist visibility, fostered regional and global recognition, and contributed to the growth of Sri Lanka's creative industries while promoting social cohesion. The event drew over 1,400 visitors, with 12 of the 23 exhibited works sold.

Matara Festival for the Arts (MFA)

CY2023 to present

Impact During the Year

JKF continued its patronage of the biennial MFA, designated as the Festival Patron of the second edition. The festival showcased six centrepiece projects, including Art Ambassadors on Wheels, Contemporary Batik, the Peer-to-Peer Artists Project, Art and Histories of Sri Lanka's Tea Community, and 1-Minute Films. Together, these initiatives engaged 70 artists, community members, and 38 film creators, highlighting diverse expressions of Sri Lanka's contemporary culture attracting over 5,800 visitors.

Complementing the festival, an interactive awareness programme on child protection via a puppet show was also organised, engaging 430 students.

Documentary on Ismeth Raheem

Since CY2025

Impact During the Year

JKF and Cinnamon Hotel Management sector partnered with Dr Martin Pieris to develop a documentary on renowned Sri Lankan architect and artist Ismeth Raheem, capturing his work at Cinnamon Lodge Habarana, Habarana Village by Cinnamon and Cinnamon Bentota Beach. While filming has concluded the release of the film is expected in 2026/27.

This documentary forms part of JKF's commitment to recording the work of reputed and senior Sri Lankan artists as a means of preserving and propagating the nation's cultural legacy and heritage.



Opening of the Arts Festival of the Ceylon Literary and Art Festival Edition 3.

KNOWLEDGE SHARING AND POLICY DIALOGUES

The Group actively engages with policymakers and industry forums, sharing practical insights drawn from its diversified operations to support informed policy dialogue and the development of balanced, forward-looking policies that strengthen and promote inclusive economic growth, and long term sustainability.

Membership Associations

Industry Groups	Membership Associations
Transportation	Singapore Sri Lanka Business Council
	Chartered Institute of Logistics and Transport (CILT)
	Association of Licensed Bunker Operators of Sri Lanka (ALBOSL)
	Travel Agents Association of Sri Lanka
	IATA Agents Association of Sri Lanka (IAASL)
	Sri Lanka – Italy Business Council
Consumer Foods	Ceylon Chamber of Commerce
	Employers' Federation of Ceylon (EFC)
	Ceylon National Chamber of Industries
	All Island Dairy Association
	Export Development Boards
	National Chamber of Exporters
	Sri Lanka-Italy Business Council
Retail	Chamber of Commerce - Import Association
	Sri Lanka - Australia - New Zealand Business Council
	Sri Lanka Retailers Association
	Sri Lanka – Pakistan Business Council
	Institute of Supply Chain & Materials Management – Corporate Member
Leisure	Ceylon Chamber of Commerce
	Employer's Federation of Ceylon (EFC)
	American Chamber of Commerce
	Benelux Business Council
	Biodiversity Sri Lanka
	Britain Business Council
	China Business Council
	Delegation of German Industry of Commerce
	European Network for Accessible Tourism
	Germany Business Council

Industry Groups	Membership Associations
Leisure	Italy Business Council
	Korean Business Council
	Nordic Business Council
	Pacific Asia Travel Association
	Russia Business Council
	Sri Lanka Association of Inbound Tour Operators (SLAITO)
	Sri Lanka Tourism Development Authority
	The Hotels Association of Sri Lanka (THASL)
	Travel Trade Sports Club
	Travelife Partner
	TourCert Member
	Wildlife Nature Protection Society
	Field Ornithology Group of Sri Lanka (FOGSL)
	Employer's Federation of Ceylon
Financial Services	Ceylon Chamber of Commerce
	Employer's Federation of Ceylon (EFC)
	Colombo Stock Brokers Association
	Colombo Stock Exchange (CSE)
	Insurance Association of Sri Lanka (IASL)
	Insurance Regulatory Commission of Sri Lanka (IRCSL)
	Life Insurance and Market research Association
	Sri Lanka Insurance Institute (SLII)
	Sri Lanka Institute of Marketing (SLIM)
Other, including Information Technology and Plantation Services	Ceylon Chamber of Commerce
	Colombo Brokers Association
	Colombo Tea Traders Association
	International Tea Committee
	Planters Association of Ceylon
	Economic Policy Committee – Sub Committee (CCC)
	The Sri Lanka institute of Directors Committee
	Employer's Federation of Ceylon
	Sri Lanka Association for Software and Services Companies
	World Economic Forum

INTELLECTUAL CAPITAL REVIEW

The Group's Intellectual Capital remains a pivotal strategic asset, strengthening the ability to compete today while equipping the business for a digitally enabled, insight-driven and innovation-led future. These capabilities position the Group to enhance agility, expand possibilities, elevate performance and support the delivery of enduring value to stakeholders.



Key Highlights

- OCTAVE strengthened the rollout of use cases within the Retail, Consumer Foods and Insurance businesses, while progress was made in advancing the roadmap of identified use cases in the Leisure industry group.
- During the year, OCTAVE continued its selective external engagements, providing advanced analytics services to clients outside the Group.
- The Group completed its transition to SAP RISE, enabling a standardised, cloud-based enterprise platform that strengthened data integration, information quality and enterprise wide decision support capabilities.
- John Keells Research (JKR) supported product and process initiatives during the year, with plant-based food products introduced within Convenience Foods business and a Nutrient Film Technology unit deployed at a Cinnamon Hotel property.

Standards and Certifications

The Group's continuous strengthening of its Intellectual Capital is demonstrated through its compliance with globally recognised standards that promote disciplined information management and process excellence. Responding to the expectations of diverse stakeholders, the Group encourages businesses, where relevant, to uphold best practices and adhere to international benchmarks such as ISO 27001, ISO 35800 and ISO 9001:2015, thereby reinforcing the reliability, security, and consistency of the systems and processes that underpin its Intellectual Capital.

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INTELLECTUAL CAPITAL REVIEW

The Group recognises Intellectual Capital as a critical enabler of sustainable value creation in an increasingly digital, knowledge driven and competitive environment. Capabilities built around technology, data, analytics, research, brand stewardship and accumulated organisational knowledge strengthen the Group's ability to innovate, adapt and respond effectively to change. These intangible assets support improved decision-making, operational resilience and long term competitiveness across the Group's businesses. Through disciplined investment, ongoing capability development and continuous learning, the Group continues to strengthen its Intellectual Capital, supporting resilience, adaptability and long term competitive advantage.

The following Capital Review is presented within the context of the Group's application of a double materiality approach, to identify its material impact topics aligned with the Global Reporting Initiative (GRI) Standards, and the identification of financially material sustainability- and climate-related risks and opportunities (SRROs and CRROs) aligned with the SLFRS Sustainability Disclosure Standards S1 and S2.

Internally defined focus areas, which reflect key areas of the Group's management approach, strategies and performance, provide an overview of how relevant material topics are managed within the Group. These focus areas also provide a broader overview of management approaches relating to other areas associated with this capital and addressed within the Group.

Refer Determining Materiality section for further details on the double materiality approach - page 396.

Within the Intellectual Capital Review, the focus areas cover the following from an impacts, and risks and opportunities perspective:

- Importance of material topics;
- The Group's approach to managing these material topics;
- Performance of material topics, reflected through relevant metrics and disclosures.

MATERIAL TOPICS

As Intellectual Capital becomes more deeply embedded in how the Group operates and makes decisions, the management of associated impacts, risks and opportunities assumes increasing importance.

In this context, the Group has identified the following impacts, risks and opportunities, reflecting the expanding use of digital platforms, data driven processes and analytical insights across the organisation. Privacy and data security has been identified as a sustainability material impact topic at Group level, while risks relating to cybersecurity threats and breaches of data privacy has also been identified as a financially material sustainability-related risk.

Impacts	Risks	Opportunities
Privacy and data security	Cybersecurity threats and breaches of data privacy	Continuing focus on digital transformation, advanced analytics, research and development, brand stewardship and institutionalisation of tacit knowledge

Other risks, including regulatory environments that promote protectionism, global competition and the pace of technological change, are also considered within the Group's enterprise risk management framework, given their implications for information technology (IT) governance, competitive advantage, brand responsiveness and reputation.

Management of Intellectual Capital Related Impacts, Risks and Opportunities

The Group adopts a structured and proactive approach to identifying and managing these considerations through established governance frameworks, controls and oversight mechanisms. This approach supports the safeguarding of information assets, regulatory compliance and stakeholder confidence, while enabling the responsible use of data and technology.

Focus Areas:

The impacts, risks and opportunities, along with the governance frameworks, controls and oversight mechanisms utilised by the Group in managing them, are addressed through the following focus areas.

Material Topic	Focus Areas Relating to Management of Material Topics
Privacy, data and cybersecurity	» Digital transformation and innovation » Advanced analytics and artificial intelligence » Brand stewardship

DIGITAL TRANSFORMATION AND INNOVATION

The Group's digital transformation journey continues to accelerate as it leverages emerging and disruptive technologies to drive strategic agility and sustained competitiveness. This transformation is enabled through modernised infrastructure, ongoing digital talent development and a culture that embraces innovation. Recognising that disruption presents both opportunity and risk, the Group maintains a proactive and disciplined approach, ensuring that the right safeguards, controls and readiness are in place.

Underpinned by a zero-trust model and a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy, the Group continuously seeks opportunities to optimise operations and elevate stakeholder experiences. By deploying a broad suite of digital tools, including enterprise systems, automation, and web and mobile applications, the Group enhances efficiency and delivers seamless, technology-enabled interactions for customers, employees and business partners, aligning technology investments with business priorities.

The Group's digitisation drive involves:

- Group-level digitisation, innovation and governance, which provide overarching direction for the Group.
  - The Group's IT governance framework enables secure digital platforms that facilitate effective information exchange and decision-making, while strengthening knowledge management, innovation and collaboration.

Refer Corporate Governance Commentary for further information on IT Governance – page 332.

- Enterprise-level digitisation and transformation initiatives are rolled out continuously to modernise systems, streamline processes and strengthen digital capability across the organisation.
- Key initiatives during the year:
  - The Group completed its transition to SAP RISE, migrating to a unified, cloud-based enterprise platform that strengthens integration across systems, improves data coherence and enhances overall operational robustness. This transformation supports improved visibility across financial and operational performance, enabling more timely and well informed decision-making at both management and Board levels. The shift to the cloud also provides greater scalability, flexibility and security, supporting long term growth and innovation ambitions.
  - Complementing the implementation of SAP RISE, the Group adopted SAP Signavio, a process analysis platform, to strengthen the Group's process intelligence and continuous improvement capabilities. The platform enables close monitoring and optimisation of end-to-end processes through a structured, data driven approach, supporting increased standardisation across sectors and clearer identification of inefficiencies and control gaps benchmarked to best practices. This implementation enables improvement in productivity where ~30% of the use cases identified as improvements to the current practices will be resolved through the technical migration to the new platform. The remainder will be achieved through a series of 'enablements' of the system capabilities through an identified roadmap.
  - The Group continued to strengthen its Zero-Trust Framework, enhancing controls across identity, devices, networks, applications and data. This included improvements to identity based access management, stronger network security and the implementation of a Secure Service Edge (SSE) architecture to support enhanced threat monitoring, detection and policy enforcement. The Group has seen a reduction in its threat posture and its ability to resolve and respond to any alerts more promptly.
  - The Group also advanced its readiness for the Personal Data Protection Act (PDPA) through a structured, sector-led approach. This included the appointment of Data Protection Officers (DPOs) across sectors to reinforce accountability, together with comprehensive gap assessments carried out under clear leadership oversight to enable consistent identification of remediation actions.

» Digitisation and innovation initiatives at each industry group and business unit level, reflecting industry specific and business specific requirements.
- The digitisation strategy is presented annually, at minimum, to the Group Executive Committee.
- Recognition mechanisms such as the annual Chairperson's Award for Digitisation continue to reinforce a culture of innovation and encourage business units to advance their digitisation priorities.
- Product and process innovation remains an ongoing focus, with businesses increasingly adopting modern technologies to improve process efficiency and elevate stakeholder engagement.

Refer Industry Group Review section for further information on product and process innovations - page 167 onwards.

Privacy, Data and Cybersecurity

Privacy, data and cybersecurity is recognised as material topics for the John Keells Group, reflecting the increasing reliance on digital platforms, data-enabled processes, cloud-based services, third-party technologies and interconnected business operations across the Group. The Group recognises the positive impact that technology platforms and data-driven capabilities play in enhancing customer experience, strengthening supplier engagement, improving operational efficiency and enabling more informed decision-making, whilst also recognising the potential negative impacts to such stakeholders arising from privacy breaches. The Group is also cognisant of the potential risks arising from the collection, processing, retention, sharing and protection of customer, employee, supplier and confidential business data. These risks include cyber threats, unauthorised access, data breaches, privacy violations, third-party technology exposure, business disruption, regulatory non-compliance, financial impact and potential reputational damage.

As data protection regulations continue to evolve and cyber risks become more sophisticated, inadequate controls may result in increased compliance costs, regulatory penalties, loss of stakeholder confidence and adverse implications for brand reputation. Accordingly, the Group adopts a structured, risk-based and policy-led approach to managing privacy, data and cybersecurity across its businesses.

Businesses within the Group have identified data and cybersecurity risks as financially material SRROs. Related mitigation activities and strategies are aligned with the Group's IT policies, cybersecurity mechanisms, governance structures and risk management practices.

The Group's IT governance mechanism is applied as a minimum standard across the Group and is aligned with the data security requirements of the Sustainability Accounting Standards Board (SASB), Professional and Commercial Services Standard.

Management of Privacy, Data and Cybersecurity-Related Impacts, Sustainability-Related Risks and Opportunities

The Group's management approach is aligned with the PDPA, applicable regulatory requirements, internal policies and procedures, recognised data protection principles and relevant global standards. The Group's data and cybersecurity practices are underpinned by the Group Data Protection and Security Policy, read together with the John Keells Group Code of Conduct, applicable IT policies, cybersecurity standards, risk management procedures and business-specific guidelines.

Strengthened data security controls, enhanced monitoring and access management, and the ongoing adaptation of business processes to meet higher data protection and compliance requirements form the basis of the Group's structured approach in managing cybersecurity-related risks across all business entities of the Group. This is complemented by periodic independent reviews to identify residual risks and strengthen controls. The Group also actively monitors regulatory developments and engages with relevant authorities and industry bodies to remain aligned with emerging requirements to

ensure no negative implications on brand reputation. During the year under review, no substantiated complaints were received concerning breaches of customer privacy.

Data Governance

The Group has established a governance framework to support the consistent implementation of privacy, data and cybersecurity standards across its businesses. This framework provides oversight, accountability and escalation mechanisms for the management of data protection and cyber-related risks.

Designated DPOs have been appointed across relevant industry groups and business units to support the implementation of data protection requirements. These officers report to the relevant President or Sector Head, Chief Executive Officer and Chief Financial Officer, as applicable, and to the Group Data Governance Steering Committee.

The Group Data Governance Steering Committee provides oversight and coordination in relation to data governance, privacy and data protection practices. Updates on material data protection, privacy and cybersecurity matters are provided to the Audit Committee, as necessary.

This governance structure supports accountability at multiple levels, from Board and executive oversight to sector-level management, business-unit ownership and employee responsibility. It also enables the Group to monitor regulatory developments, assess emerging risks and ensure that relevant policies, procedures and controls remain aligned with applicable requirements and evolving best practices.

Policies, Procedures and Management Approaches

The Group has implemented policies, procedures and controls covering the full information lifecycle, including the collection, use, processing, storage, access, disclosure, retention, archival and secure destruction of personal, sensitive and confidential information.

These controls are guided by recognised data protection principles, including lawfulness, transparency, purpose limitation, data minimisation, accuracy, confidentiality, integrity, availability and accountability. They are designed to ensure that data is handled responsibly and only for legitimate business purposes.

The Group's privacy programme governs the management of customer, and oversight by designated governance bodies.

Area	Management Approach
Data Governance	Defined ownership, accountability, classification and responsible management of data
Privacy Compliance	Alignment with PDPA requirements, applicable regulatory obligations and recognised data protection principles
Access Management	Role-based access controls, identity management and periodic access reviews
Cybersecurity Controls	Layered security measures across users, devices, applications, networks and infrastructure
Monitoring and Detection	Continuous monitoring, automated alerts and threat detection mechanisms
Vulnerability Management	Vulnerability assessments, penetration testing, configuration reviews, patching and remediation
Third-Party Risk	Due diligence, contractual safeguards and security expectations for relevant third-party arrangements
Awareness and Training	Cybersecurity awareness sessions, privacy training and simulated phishing campaigns
Assurance	Periodic independent reviews, internal assessments and remediation tracking

These measures are reviewed and strengthened on an ongoing basis responding to changes in the regulatory environment, cyber threat landscape, business requirements and technology operating context.

Cybersecurity and Technology Controls

The Group applies a layered risk management approach to cybersecurity, comprising preventive, detective and responsive controls. This includes endpoint protection, identity and access management, access monitoring, vulnerability assessments, penetration testing, configuration reviews, patch management, operating system version management, automated alerts and incident response procedures.

Microsoft Defender for Endpoint is utilised to provide advanced threat protection, real-time monitoring and automated remediation across relevant infrastructure. Microsoft Enterprise Mobility and Security E3 and E5 licences further support identity and access management, data protection and compliance capabilities across applicable environments.

Comprehensive vulnerability assessments, penetration testing and configuration reviews are conducted periodically. Identified vulnerabilities are addressed through defined remediation processes, including patch management and incident response procedures. Windows Update Management and Operating System Version Management are also used to support timely patching, reduce exposure to vulnerabilities and maintain alignment with applicable security standards.

These controls are intended to strengthen the Group's cyber resilience, enhance threat detection and response, reduce exposure to emerging risks and support the continuity of business operations.

Privacy Risk Management

Privacy risks are managed through defined information lifecycle controls, privacy and data protection impact assessments for high-risk processing activities, mechanisms to uphold data subject rights, employee training, periodic independent assessments and ongoing monitoring.

The Group maintains processes to support the rights of data subjects in line with applicable legal requirements. These include mechanisms relating to access, correction, withdrawal of consent and other rights recognised under relevant data protection requirements.

A strong culture of privacy and responsible data stewardship is embedded across the Group. This is supported by data protection and information governance frameworks, an evolving IT infrastructure and the use of data analytics to strengthen oversight, monitoring and risk management.

The Group also monitors regulatory developments and engages, where relevant, with authorities and industry bodies to remain aligned with emerging requirements and to mitigate potential implications for compliance, business operations and brand reputation.

Employee Awareness and Culture

The Group recognises that effective privacy and cybersecurity management depends not only on technology and controls, but also on employee awareness, behaviour and accountability.

Regular cybersecurity awareness sessions and simulated phishing campaigns are conducted to strengthen human defences and improve employee understanding of cyber risks. Role-specific guidance is provided, where relevant, to support the responsible handling of personal, sensitive and confidential information.

These initiatives are designed to embed a culture of privacy, information security and responsible data stewardship across the Group, ensuring that employees understand their responsibilities and act in accordance with established policies, procedures and guidelines.

Third-Party and Technology Ecosystem Risk

The Group's increasing reliance on technology partners, cloud services, software providers and outsourced service arrangements requires a disciplined approach to third-party risk management.

Relevant third-party engagements are subject to due diligence, contractual safeguards, confidentiality obligations, data protection clauses and security expectations proportionate to the nature of the service and the type of data involved. Where applicable, ongoing reviews are undertaken to assess continued alignment with the Group's privacy, cybersecurity and operational standards.

This approach supports the secure use of third-party technologies while ensuring that risks associated with external service providers are appropriately identified, assessed and managed.

ADVANCED ANALYTICS AND ARTIFICIAL INTELLIGENCE

Since 2019, the Group invested in data and advanced analytics as a long term strategic capability. That investment has matured steadily, with independently governed impact accumulating across the Group's businesses over successive financial years. While further value remains to be unlocked within the portfolio, the Group has benefited through the maturity and transformation of the 'ways of working' which has been enabled as a result of the rollout of use cases over the preceding few years. Based on the impact the Group has witnessed, OCTAVE has continued to grow, and is today engaged with clients beyond the Group, reflecting a level of capability that is increasingly recognised externally.

The field itself continues to move rapidly - in its technology, applications, and implications for enterprise - and the Group is attentive to these developments. The foundations being built are intended to hold across this evolving field as the division pursues to unlock value in data and AI to create transformational experiences that matter across the value chain for business across the Group.

During 2025/26, amidst continuous capability development and enhancement, work in Retail focused on strengthening customer-oriented design within deployed use cases, while in Consumer Foods efforts centred on distribution planning and optimisation. In the Leisure industry group, progress was made in advancing the roadmap of identified use cases and in Insurance business the focus was on agent activation and collection related to policies at risk of lapsation.

» Progress in AI, Data and Analytics Capability Development: OCTAVE today operates across seven industries with over 60 use cases in active production across the Group's businesses. The team of over 70 specialists combines machine learning capability and analytical depth developed at leading academic institutions with delivery experience from some of the world's foremost technology organisations. Rigorous in method, grounded in commercial reality and an overarching philosophy of value assurance, has been central to the programme's ability to move from pilot success to sustained operational impact across businesses of varying scale and complexity.

» Oversight and Validation of Delivered Impact: The assessment of benefit derived from OCTAVE's work is overseen by a Financial Impact Tracking (FIT) committee, chaired by the Deputy Chairperson/Group Finance Director. The committee independently approves use cases for rollout based on pilot results and monitors actual performance against plan following deployment. The evidence accumulated across the programme indicates that value demonstrated at the pilot stage has, in the main, been sustained at scale year-on-year upon full rollout. The Group considers this governance architecture as a key pillar in unlocking and sustaining the accretive value of the programme.

» Continuing Opportunity for Value Realisation: The Group's diversification across Retail, Consumer Foods, Leisure, Financial Services and Transportation creates conditions for cross-sector learning that accumulate over time. Methods and institutional knowledge developed within one business have, in a number of instances, translated meaningfully to others. The roadmap of use cases currently in development and pilot reflects the breadth of that opportunity. The work of embedding data-driven decision-making more deeply across the organisation continues, supported by a structured training programme that has to date reached over 400 employees across the Group.

» Selective External Engagement: In 3QFY25, OCTAVE commenced providing advanced analytics services to clients outside the Group. This is a development the Group views with measured optimism. The decision by external enterprises to engage OCTAVE when alternatives were available is viewed as an independent indication of the standard to which the practice has been built. The Group continues to invest in the governance, certification and operational frameworks appropriate to serving clients of scale beyond its own portfolio.

» Positioning for the Next Phases of Development: The broader environment continues to shift in ways that are increasingly relevant to this agenda. The cost of deploying analytical intelligence has fallen substantially, and the nature of what that intelligence can do within an enterprise is changing - shifting from systems that inform decisions to systems that inform decisions to those embedded within operations (e.g. AI Agents) under clearly defined governance frameworks. For most enterprises, the question has moved on from whether to invest in this capability to whether the necessary foundations are in place. The Group's six years of sustained investment in data infrastructure, institutional capability, process redesign and governance reflects a deliberate and forward-looking view, held from the outset, that this transition would materialise. The Group believes it is reasonably well positioned for what follows.

» Illustrative Shifts in Decision-Making: The programme directs analytical investment toward use cases in which the output is a permanent change in decision design - in who makes a decision, on what basis, and at what frequency. Such changes in the decision-making process have necessitated a transformation in the 'ways of working' across the respective business – from the Group's own employees to the distribution networks and sales representatives across the value chain. While this has been a gradual process, the level of adoption, stabilisation and maturity of the implementation, lends itself to further augmenting the value from the implemented use cases while also obtaining significant buy in from the various stakeholders. The eight domains below reflect structural changes in decision-making that have been implemented across the Group and are continuing to be extended.

Extension of these capabilities across business units is guided by commercial priority and operational readiness, with a focus on sustainable value capture rather than breadth of coverage.

Decision Domain	Conventional Approach	How We Are Working Now
Promotion Optimisation	Product selection, depth and timing driven by negotiation and historical volumes. Limited visibility of margin impact before commitment.	Promotions selected using predictive models estimating incremental uplift and margin-volume trade-offs. Active in Supermarkets and Beverages businesses.
Fresh Pricing Management	Perishable pricing adjusted reactively to sales velocity and shelf life. Markdowns determined by store-level judgement.	Pricing guided by models accounting for shelf life, demand trajectory and competitive context simultaneously. Active in Supermarket business.
In-Store Operations	Replenishment and labour allocation follow fixed schedules based on historical patterns. Deviations managed after the fact.	Staff rosters, replenishment triggers and task prioritisation linked to near real-time sales signals. Active in Supermarket business.
Factory and Production Planning	Weekly production scheduling through a manual process. Scenario testing limited by individual planner visibility across competing constraints.	An analytical twin enables simulation-driven planning across capacity, production line changeovers and cadre constraints. Active in Beverages business.
Distributor Margin and Incentive Structuring	Margins set through standardised frameworks. Incentive adjustments made retrospectively against end-of-period performance.	Margins and targets calibrated to individual distributor potential with progressive incentives acting within the trading period. Active in Beverages and Confectionery businesses.
Distribution Design and Route Planning	Fixed visit cycles with standardised assortments, irrespective of variation in outlet demand potential.	Visit frequency and assortment determined by modelled outlet-level demand potential. Active in Beverages and Confectionery businesses.
Media and Digital Marketing Optimisation	Budgets allocated by precedent and channel norms. Limited reallocation within the trading period based on measured return.	Aggregated views of marketing spend and correlation analysis to strengthen insight based investment. Active in multiple business verticals.
Customer Retention and Intervention	Retention efforts are reactive. Interventions follow lapse, with outreach designed around broad segments.	Machine learning identifies at-risk customers before lapse occurs, enabling individually calibrated outreach. Active in the Insurance business.

Refer Industry Group Review section for further information on use cases deployed within each industry group - page 167 onwards.

» Strengthening of Data Architecture and Accessibility: Investment in the consolidation of the Group's data architecture has continued in parallel. Unified data platforms are being implemented across the portfolio to standardise data models, improve interoperability across business units and enable governed access to high-quality data at scale. This infrastructure work underpins the extension of analytical capabilities and constitutes the technical foundation on which further development will be built.

» Ongoing Exploration for AI Adoption: The direction of travel in enterprise AI is towards systems capable of operating with greater autonomy within defined governance parameters - from decision support toward direct decision execution within bounded domains. Group's investments in data infrastructure, model governance and embedded decision workflows are directed, in part, toward the requirements of this next phase, and the preparatory work underway is considered as material as the use cases currently in production.

RESEARCH AND DEVELOPMENT

Research and Development (R&D) continues to serve as a key driver of innovation and advancement across the Group, while Intellectual Property (IP) ensures that the value created through these innovations is protected. Together, these capabilities enable the Group to stay relevant in dynamic markets and support sustained long term growth.

The Group cultivates a strong R&D culture through:

» Dedicated R&D functions, where relevant and required, within business units which lead continuous product and process innovation, ensuring offerings evolve in line with changing consumer and business requirements.

- As an example, R&D initiatives within the Beverages and Confectionery businesses have supported the development of a diverse and evolving product portfolio aligned with changing consumer preferences.
- In-house legal and financial expertise supports business units in securing IP rights, ensuring the Group's innovations are effectively protected.

» John Keells Research (JKR), the Group's R&D arm which added value over the years by developing innovative and efficient solutions for evolving business needs, while strengthening the Group's Intellectual Capital through invention, technology development and the creation of intellectual property.

- Initiatives during the year:
  - The trademark GERMSLAY®, which is a composite material infused with a nanotechnology-based antibacterial additive and which was licensed to a manufacturing partner, was gazetted as a registered trademark in Sri Lanka.
  - Leveraging JKR's proprietary Silmetic® technology, disposable foot insoles that reduce odour and improve hygiene were launched in both B2B and B2C markets under the brand Fresole™ by the licensee, following the licensing agreement which was entered into in 2024/25.
  - Post the licensing agreement entered into with the Convenience Foods business in 2024/25 for a novel method of preparing plant-based food products, a range of items - including nuggets, meatballs and burger patties - was commercially introduced across retail and sales outlets, supported by encouraging consumer feedback.
  - JKR developed and installed its first Nutrient Film Technology (NFT) unit at a Cinnamon hotel property to supply fresh produce to on-site restaurants, bars and cafés. The initiative also showcased sustainable farming practices, with a variety of herbs and greens successfully grown during the year.
- Since its inception, JKR's work extended beyond technology creation to enabling innovation across several Group businesses, including Convenience Foods and Leisure businesses, and to commercialising its technologies through external licensing. While these contributions added value, the Group was in the view that future R&D activities would be more effective when led directly by individual businesses, ensuring closer alignment with operational priorities and strategic direction. Accordingly, JKR will be phased out during 2026/27.



Nutrient Film Technology (NFT) system deployed within a Cinnamon hotel property.

BRAND STEWARDSHIP

The Group continues to strengthen its portfolio of brands through a deliberate and forward looking brand strategy that ensures relevance in a rapidly evolving market environment. As a longstanding home to several of Sri Lanka's most recognised and respected brands, the Group consistently reflects its core values across its brand portfolio. The Group's commitment to quality, innovation and long term value creation is reflected in the enduring strength and relevance of its brands, whose equity and trust have also enabled meaningful collaborations with leading global partners. The brands connected to each of the industry group are depicted below.

INTELLECTUAL CAPITAL REVIEW

Transportation
- Transportation
- Ports and Shipping

Consumer Foods
- Beverages
- Confectionery
- Convenience Foods

Retail
- Supermarkets
- New Energy Vehicles
- Office Automation

Leisure
- Cinnamon Hotels & Resorts
- Destination Management
- Hotel Management

Property
- Property Development
- Property Management

Financial Services
- Insurance
- Banking
- Stockbroking

Other, including Information Technology and Plantation Services
- Information Technology
- Plantation Services
- Other

Note: The above brands do not include the associates and joint ventures of the Group.

Awards and Accolades

Key accolades received by John Keells Holdings PLC during the year under review:

- Ranked first as the 'Most Respected Entity' in Sri Lanka for the 20th year at the 21st annual edition of LMD's Most Respected Entities rankings. The rankings are based on the survey commissioned and conceptualised by LMD and conducted by PepperCube Consultants.
- Ranked first in LMD Readers' Choice as 'Sri Lanka's Most Loved Corporate Brand' for 2025, for the second consecutive year.
- Bronze award for 'Best Investor Relations' at the Capital Market Awards 2025 organised by the CFA Society Sri Lanka.
- Recipient of multiple accolades at the CMA Excellence in Integrated Reporting Awards 2025, including the Silver award for 'Overall Excellence in Integrated Reporting', along with awards for 'Best Integrated Reporting in the Diversified Holdings Sector', 'Top Ten Best Integrated Report', and special awards for 'Diversity Reporting' and 'Best Disclosure on Value Creation'.
- Awarded the Bronze award for 'Overall Excellence in Corporate Reporting' at the TAGS Awards 2025 organised by the Institute of Chartered Accountants of Sri Lanka, alongside awards for 'Integrated Reporting', 'Digitally Transformative Reporting', 'Corporate Governance Disclosure: Non-Financial Services' and 'Diversified Holdings: Group Turnover Above LKR 100 Billion'.

Refer Industry Group Review section for further information on industry group specific awards – page 167 onwards.

TACIT KNOWLEDGE

- The Group's longstanding presence spanning over 150 years has built a deep base of tacit knowledge, sector insight and specialised expertise that continues to shape strategic decision-making and competitive positioning.
- From leading household brands such as Cinnamon Hotels & Resorts, Elephant House, Keells and Union Assurance to transformative infrastructure initiatives including South Asia Gateway Terminals, the West Container Terminal and City of Dreams Sri Lanka, the Group's journey reflects a deep understanding of customer needs, industry evolution and national development priorities.
- The breadth of the Group's operations enables cross industry knowledge sharing, allowing proven practices to be replicated and adapted across businesses. This accumulated experience enhances organisational agility, strengthens resilience and contributes meaningfully to the Group's broader Intellectual Capital base.
- A workforce with diverse and multi-industry experience contributes significantly to the Group's tacit knowledge, supported by digital systems, repositories and structured processes that retain and disseminate institutional know how.

OUTLOOK AND RISKS

This section outlines the evolving operating environment, the Group's approach to navigating it, and the implications for the Group's outlook and way forward.

The discussion comprises three parts:

- Macroeconomic Outlook from both global and local perspectives.
- Group Outlook which sets out the Group's key strategic focus areas and the macroeconomic implications on the Group.
- Key Risks to the Group's outlook based on those identified through the Group's Enterprise Risk Management framework.

MACROECONOMIC OUTLOOK

Global Context

The global economy was envisaged to sustain the growth momentum observed in CY2025, supported by continued investments in artificial intelligence (AI) and related technologies, which are likely to partly offset the impact of trade barriers and ongoing geopolitical uncertainty. However, the escalation of tensions in the Middle East since late February 2026 has introduced renewed uncertainty, tempering the outlook for CY2026.

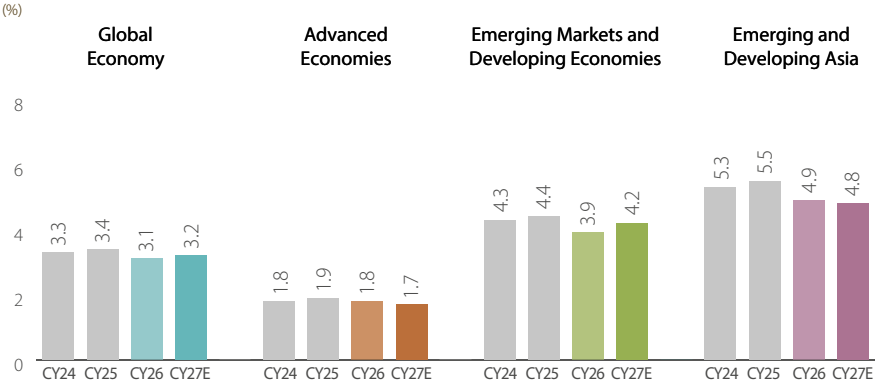
Conflict in the Middle East

The escalation of conflict in the Middle East since 28 February 2026, has emerged as a significant geopolitical development, with implications across the region and beyond. The developments heightened risks across energy-producing economies, with impacts on infrastructure, production capacity, trade and investor sentiment.

A key source of impact has been the disruption to the Strait of Hormuz, a strategically critical conduit for global energy flows, where restricted access has led to a contraction in shipping activity, affecting supply chains and contributing to increased volatility in energy markets. In addition, spillover effects across the region have resulted in disruptions to air connectivity across key Middle Eastern transit hubs. These developments have also contributed to increased volatility across global financial markets, resulting in risk aversion, capital flow adjustments, and currency pressures, particularly in emerging markets.

While a ceasefire reached in early April 2026 provided some prospects of de-escalation, subsequent developments point to continued underlying tensions and volatility. Constraints on maritime transit and intermittent disruptions highlight the evolving nature of the current situation, with a sustained resolution yet to be achieved. While the outlook remains uncertain, the gradual restoration of critical trade flows and easing of disruptions will be key in supporting stability in global markets.

IMF Growth Projections



Source: World Economic Outlook April 2026, International Monetary Fund

In light of the prevailing Middle East conflict, the International Monetary Fund's (IMF) April 2026 World Economic Outlook reflects a moderation in global growth, with global GDP growth projected at 3.1% in CY2026, revised down from the 3.3% forecast in January 2026 under the assumption that the conflict remains relatively contained in duration and scale.

Growth is expected to recover modestly to 3.2% in CY2027 supported by continued investment in technology and productivity improvements, although this will depend on what transpires in CY2026 and the status of the conflict. The impact of this moderation is expected to be more pronounced in the conflict-affected region, as well as in commodity-importing emerging markets and developing economies with pre-existing structural and macroeconomic vulnerabilities. Policy responses across major economies are expected to remain data-dependent, as central banks balance inflation risks with the need to support growth, potentially resulting in divergent monetary policy paths.

Notwithstanding this baseline outlook, the IMF highlights a range of scenarios associated with the potential duration and scale of the conflict.

» Under an adverse scenario characterised by prolonged disruptions to energy supply and trade flows, including sustained constraints on key shipping routes, global growth could moderate further to 2.5% in CY2026.

» In a more severe scenario, assuming a further escalation and persistence of these disruptions into the following year, with continued pressures on energy prices and financial conditions, global growth could weaken further to around 2.0%.

While these scenarios reflect heightened uncertainty, they remain contingent on the trajectory of the conflict and the extent of disruption to global trade and energy markets.

OUTLOOK AND RISKS

The global inflation outlook for CY2026 has been revised upward, with the IMF projecting inflation at 4.4% for CY2026, compared to 3.8% in its January 2026 update, reflecting elevated commodity prices driven primarily by higher energy costs. This reflects broad-based cost-push pressures across energy-intensive sectors, including fertiliser, chemicals, food, and transportation. Under the baseline scenario, inflation is expected to moderate to 3.7% in CY2027 as supply conditions stabilise and the impact of the initial price shocks dissipates.

- Under a more adverse scenario, global inflation is projected to increase to 5.4% in CY2026.
- In the more severe scenario, inflation is expected to rise further to around 9.0%, reflecting a more prolonged period of elevated price pressure.

The global interest rate outlook remains relatively accommodative, albeit with divergences in policy across countries. The IMF projects that the United States (US) federal funds rate will be reduced gradually, reaching a terminal rate of ~3.1% by the end of CY2027; however, risks to inflation expectations may slow the pace of policy easing. Should these risks materialise, developments arising from the Middle East conflict, including the potential for a wage price spiral, could lead to tighter global monetary conditions.

Overall, the global outlook remains subject to downside risks, reflecting elevated geopolitical risks, ongoing trade uncertainty, and the potential for tighter financial conditions. The near term trajectory remains sensitive to the evolution of geopolitical developments, particularly their impact on energy markets, inflation dynamics, and global trade flows. Notwithstanding these near term challenges, underlying structural drivers of growth, including AI-driven productivity gains and continued investment in digital and energy transitions, are expected to provide some support over the medium term.

Sri Lankan Context

During CY2025, Sri Lanka continued to demonstrate resilience, sustaining its growth momentum despite elevated global uncertainties and the adverse effects of Cyclone Ditwah. Inflation normalised following a prolonged period of deflation, while the economy transitioned into a phase of consolidation supported by sustained macroeconomic stabilisation and the continued implementation of policy and structural reforms. These factors provide a measure of resilience, supporting economic stability as the country navigates evolving external uncertainties.

Refer Operating Environment section for further details on the Sri Lankan economy during the reporting period – page 41.

The outlook for CY2026 remains closely linked to developments in the Middle East, the extent and duration of which remain uncertain, as discussed previously. Evolving dynamics in the conflict are expected to influence the near term economic landscape, particularly through its impact on external conditions, while the underlying recovery momentum is expected to provide a degree of stability.

The outlook for key macroeconomic variables is discussed under the Group Outlook in the ensuing section.

Impact of the Conflict in the Middle East

The Middle East conflict is expected to affect the Sri Lankan economy through several key channels, particularly through higher energy and fuel prices. While elevated fuel costs will contribute to inflationary pressures and a widening trade deficit, domestic pricing adjustments and demand management measures are expected to help mitigate these impacts, to an extent.

Foreign remittances, a key source of foreign exchange inflows, particularly from the Middle East, may moderate in a prolonged conflict scenario, while softer tourism earnings could contribute to some variability in the exchange rate, especially in the event of renewed disruptions to regional air connectivity. Broader global uncertainty may also soften external demand, while disruptions to trade flows and elevated logistics costs could affect export performance, with some transmission to sectors such as agriculture through higher input costs. The elevated global fuel oil prices will place a significant strain on the total import bill of the country and also result in a cascading impact on prices. While export and service flows have been resilient, the increase in the import bill and resultant trade deficit will place pressure on the currency, as seen recently. The flexible exchange rate policy adopted by the Central Bank of Sri Lanka (CBSL) has resulted the depreciation of the currency, as seen in many economies in the region, which will also compound the impact on prices.

Collectively, these developments are likely to influence Sri Lanka's economic trajectory across growth, inflation, external balances, and exchange rate dynamics. The overall impact will depend on the extent and duration of disruptions to energy and trade flows, as well as the timeliness and effectiveness of policy responses to evolving external conditions. The authorities have already taken proactive steps to curb the foreign currency outflows on the import of motor vehicles through a surcharge on duty. As this was implemented with effect from 15 May 2026, there will be a lag in this having an impact on the import volumes.

Despite a possible moderation in economic activity, Sri Lanka's macroeconomic stabilisation trajectory remains supportive, providing a strong foundation for economic resilience. This positions the economy to navigate near term challenges while sustaining its recovery momentum. The CBSL also expects to receive ~USD 1 billion from the next tranche of USD 700 million from the International Monetary Fund - Extended Fund Facility (IMF-EFF) facility and a further USD 300 million from the Asian Development Bank. This will provide a strong boost to the reserves position of the CBSL.

Certain sectors may benefit from shifts in regional trade and travel patterns. Disruptions to maritime routes across parts of the Middle East will support transshipment volumes, bunkering activity and broader logistics demand through Sri Lankan ports, given the country's strategic location along major shipping lanes. The tourism sector may also benefit from a reallocation of travel demand towards relatively stable destinations within the region as well as regional and short to medium haul travel. While the scale of these opportunities will depend on the duration and breadth of disruptions, Sri Lanka remains well positioned to respond and capture potential upside.

GROUP OUTLOOK

Key risks, trends and opportunities relevant to the Group:

Risks

Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section of this Review for a detailed discussion.

Cybersecurity risks	●
Macroeconomic and political environment volatility	●
Financial exposure	●
Changes in regulatory environment and operational integrity concerns	●
Human resources related risks including talent attrition and employee health and safety	●
Reputation and brand image related risks	●
Supply chain disruptions	●
Global competitiveness and portfolio imbalance	●
Natural disasters	●
Environment and biodiversity related risks	●

Risk Rating:

● Ultra-High ● High ● Medium ● Low

Opportunities

- Expansion of Sri Lanka as a transportation and logistics hub, capitalising on its strategic location to drive long term transshipment growth and port-related income
- Tourist arrivals poised for exponential growth, particularly driven by the expansion of the MICE segment
- Shift in consumer behaviour towards more energy-efficient and sustainable alternatives
- Regional growth acting as a catalyst for broader economic expansion in Sri Lanka
- Emphasis on environmental, social and governance (ESG) aspects across business operations
- Increasing demand for digital infrastructure and integration of artificial intelligence (AI) into business processes
- Increasing urbanisation and enhanced physical and digital connectivity
- Development of Colombo as a financial hub
- Growing demand for personalised and experience-driven product and service offerings
- Rising prominence of data and advanced analytics in shaping strategic decision-making, driving efficiency and enabling a competitive edge

The outlook for key macroeconomic variables and its implications on the Group going forward are outlined below:

Macroeconomic Indicator	Macroeconomic Outlook	Group Outlook
Economic Growth	The growth momentum and supportive economic conditions in CY2025 provided a conducive backdrop for continued economic expansion, although the outlook remains subject to uncertainty arising from evolving geopolitical developments, particularly the Middle East conflict. Notwithstanding these risks, the underlying recovery momentum is expected to remain intact. Reflecting this context, the Asian Development Bank (ADB) projects a moderation in economic growth to 4.0% in CY2026 and 4.2% in CY2027, compared to the 5.0% recorded over the previous two years.	The macroeconomic environment is expected to remain broadly supportive, although growth may moderate amid heightened global and geopolitical uncertainties. While economic activity is likely to sustain its momentum, the pace of expansion across certain sectors may soften. In this context, the Group will continue to prioritise agility and resilience, ensuring it remains well positioned to navigate external uncertainties while sustaining its growth trajectory.
Inflation	The CBSL expects inflation to accelerate towards its 5.0% target, at a faster pace than previously anticipated, largely driven by energy related price pressures stemming from the Middle East conflict. Reflecting these dynamics, the ADB projects inflation at 5.2% in CY2026, before moderating to 4.0% in CY2027.	The expected increase in inflation, largely driven by energy prices, may exert input cost pressures across the Group's businesses, alongside the recent upward revisions in electricity tariffs. The Group will maintain pricing discipline while closely monitoring supplier contracts, cost structures, and foreign exchange exposures. Group will continue to focus on enhancing operational efficiencies and targeted cost management initiatives to mitigate margin impacts and sustain value creation.
Interest Rates	While monetary policy remained accommodative in CY2025, underpinned by subdued inflation and improving macroeconomic conditions, the reemergence of inflationary conditions, through supply driven factors, and external risks suggest a potential shift in policy stance, with a gradual normalisation in interest rates likely should inflationary effects become evident from a demand perspective.	The Group will continue to take a proactive approach to funding and capital management, aligning its strategies with evolving interest rate conditions. Focus will remain on optimising borrowing costs, maintaining flexibility in financing structures, and closely monitoring both domestic and global rate movements. This disciplined approach is expected to enhance financial resilience while supporting effective cost management. The primary liquidity risk for the Group is eliminated due to the recent long term refinancing of the loan facility at WPL at a lower interest rate.

OUTLOOK AND RISKS

Macroeconomic Indicator	Macroeconomic Outlook	Group Outlook
Exchange Rates	The exchange rate recorded a moderate depreciation in CY2025, with more pronounced weakening and increased volatility following the onset of the Middle East conflict. A widening trade deficit driven mainly by higher oil imports and a potential moderation in tourism and remittance inflows will influence currency movements, although strengthened external buffers, including improved foreign exchange reserves and policy credibility, may contain excessive volatility.	The Group remains focused on actively managing its foreign currency exposures in response to evolving exchange rate dynamics, aligning conversions with market conditions and maintaining adequate liquidity buffers. A weaker and more volatile exchange rate may increase the cost of imported inputs and translation of foreign currency liabilities, while also providing benefits from foreign currency earnings across the diversified portfolio. A disciplined approach to managing foreign currency denominated costs and revenues will be sustained to mitigate volatility, supporting earnings stability and resilience against external sector volatility.
Liquidity in Financial System	Private sector credit growth experienced in CY2025 is expected to remain positive, although the pace of expansion may moderate amid spillover effects from current developments and evolving demand conditions.	The Group will leverage local market liquidity to optimise the maturity profile of its debt portfolio and strengthen its funding resilience within the constraints of the regulations on large exposure limits governing the commercial banks in the country.
Global Trade/ Commodity Prices	The global commodity price outlook has shifted towards an upward bias, driven by energy supply disruptions and heightened geopolitical risks. The World Bank projects average commodity prices to increase by ~16% in CY2026, with energy prices rising by ~24%, underscoring the risk of inflationary effects.	The upward shift in global commodity prices, particularly energy, may lead to pressure on input costs across several of the Group's businesses. The Group will continue to adopt a disciplined and dynamic procurement approach, balancing cost optimisation with supply assurance, supported by diversified sourcing and selective hedging, where appropriate, to mitigate volatility and ensure business continuity.
Tourism	Tourist arrivals during CY2025 surpassed the benchmark CY2018 levels. However, following the onset of the conflict, arrivals experienced a moderation during March and April 2026. While these effects are expected to be temporary, subject to stabilising connectivity conditions, the pace of recovery will remain linked to the duration and intensity of the conflict. Notwithstanding these near term pressures, Sri Lanka's diversified source markets and expanding regional travel flows are expected to support underlying resilience over the medium term.	Despite short term moderation in tourist arrivals, the Group expects the underlying recovery momentum in the tourism sector to remain intact. The Group's leisure portfolio remains well positioned to capitalise on these trends, with its diversified offerings providing a strong platform for growth. CODSL, as it continues to scale through its ramp-up phase, is expected to play a key role in driving MICE-led demand, supporting higher occupancy, enhanced yields, and increased demand for ancillary tourism services across the portfolio, while also contributing to the broader development of Sri Lanka's tourism ecosystem and foreign exchange earnings.

Despite short term uncertainties, the Group is entering its next phase with strong momentum from the financial performance during this year and from a position of strength considering the broad-based earnings contribution. This is supported by a high-quality portfolio, with major investments such as CODSL and WCT-1 beginning to contribute positively where, the Group has crossed an inflection point of moving from capital deployment to cash generation. While the financial returns are improving, the major investments are still ramping up with potential for significant growth. The strategy and outlook on the portfolio of the Group is reflected in the Strategy and Portfolio section of this Report. Similarly, the outlook for each of the industry groups are found under the Industry Group Review section of this Report. The following discussion focuses only on outlook of the key significant new businesses of the Group.

City of Dreams Sri Lanka (CODSL)

- The integrated resort is now fully operational, with the Cinnamon Life hotel, the ultra-luxury Nuwa hotel, the casino, and the first phase of the retail mall demonstrating strong early traction across both domestic and key regional markets. CODSL recorded a positive EBITDA for the reporting period.
- Momentum has been particularly pronounced within the MICE segment, with robust demand for large-scale conferences and events, positioning the property as a premier regional destination, supported by its purpose-built, best-in-class meeting and event infrastructure.
- As the resort continues to scale through its ramp-up phase, CODSL is well positioned to unlock significant value, underpinned by sustained growth in MICE demand, with rising occupancies and the progressive tenanting and occupancy of its retail segment. The gaming segment is expected to continue its momentum and performance.
- CODSL remains focused on developing key regional markets to strengthen brand visibility and drive consumer demand. In this regard, the upcoming launch of an inaugural thrice-weekly flight to Ahmedabad, supported by a minimum seat underwriting arrangement by the Group over a 12-month period, underscores the targeted approach to building demand and strengthening market access.



Colombo West International Terminal (CWIT)

- CWIT, the project company of West Container Terminal (WCT-1), completed its full year of operations and delivered performance ahead of plan, recording a positive profit after tax, supported by strong growth in throughput and an improving volume mix.
- With phase 1 capacity already fully utilised, the terminal is expected to sustain this momentum into the next financial year and beyond, driving greater efficiencies and improved absorption of fixed costs despite the recognition of full depreciation and interest costs from the ensuing financial year onwards.
- Phase 2 of WCT-1 is scheduled to commence operations by end-CY2026, strengthening the terminal's capacity to support further volume growth and accommodate larger vessels. This will positively impact the Group's ports operations, with higher throughput, improved operational efficiencies driven by automation, and increased foreign currency earnings.



John Keells CG Auto (Private) Limited (JKCG)

- The Group's New Energy Vehicle (NEV) business strengthened its market presence through an expanded product offering across multiple segments and price points, including the introduction of premium DENZA range, which will help drive sales in the ensuing year, supported by expanding its showroom and aftersales network to enhance customer reach and service capability.
- As the initial pent-up demand moderates, vehicle sales are expected to normalise, although order activity has demonstrated resilience, partly in response to fuel-related disruptions stemming from the conflict in the Middle East. The imposition of a temporary 3-month surcharge on the importation of motor vehicles, as previously discussed, is expected to have an impact on the total vehicle market. The Group has a healthy pipeline of inventory expected over the next few months, which will help sustain sales in the short term. The overall impact for the year, however, will depend on the Government's policy in this regard, which is driven mainly by the external sector and pressure on the currency.
- While regulatory and customs-related uncertainties may continue in the near term, the business will continue to engage to push for independent testing to resolve the matter while remaining focused on enhancing operational resilience through managing the portfolio of vehicles offered to customers, alongside continued investment in network expansion to strengthen customer confidence and aftersales support.



The following discussion covers the outlook and plans for each of the listed areas. Although these are covered, morefully, in the Capital Reviews and Corporate Governance Commentary sections, following are a highlight of the key aspects.

Continual Advancements on Environmental, Social and Governance (ESG) Aspects

With the continued growth and expansion of the Group, together with evolving sustainability- and climate-related disclosure expectations, the Group intends to establish refreshed sustainability targets in the coming years.

To support this process, governance frameworks have been established, including the formation of an ESG and Sustainability Steering Committee, together with working groups that have been appointed and have commenced work on setting targets for each ambition area. The Group will continue to refine and embed these ambitions and targets into its performance management frameworks, with further enhancements to disclosures evolving in line with strategic decisions on ambition level reporting in future years.

Refer Sustainability Governance section of the Corporate Governance Commentary and Determining Materiality sections for further details on ESG aspects.

OUTLOOK AND RISKS

Focus on Diversity, Equity and Inclusion

Guided by the ONE JKH initiative, the Group will continue to focus on:

- Enhancing accessibility and inclusion for persons with disabilities (PWDs), including the establishment of representation targets.
- Institutionalising inclusive leadership practices while embedding DE&I learning and awareness across all employee levels.
- Ensuring equity across employee benefit structures, with particular consideration for underrepresented and marginalised groups.
- Embedding DE&I principles into recruitment, supplier engagement, and community initiatives, with a focus on economic empowerment and inclusive opportunity creation.

As at 31 March 2026, the Group achieved a female workforce representation of 36%, reflecting continued progress towards its gender parity target of 40% by 2030. The Group remains committed to advancing this agenda in a sustained and purposeful manner.

Continued Emphasis on Transparency and Governance

While the emerging themes and key governance-linked topics are captured under the Corporate Governance Commentary, the Group will focus on digital oversight and security, including data protection, given the heightened risks. The focus on anti-corruption and fraud, together with strengthening internal controls while optimising the platforms available to the Group will help drive productivity and data-driven decision-making while improving the control environment. From a Board governance perspective, continued focus on board diversity and succession planning will be prioritised while giving oversight to navigating the current geopolitical environment and its related risks.

Refer the Corporate Governance Commentary: Governance Outlook and Emerging Challenges – page 348.

Emphasis on Group's Advanced Analytics and Transformation Journey

OCTAVE is expected to continue advancing the Group's analytics transformation journey, further embedding data-driven decision-making across operations. As deployed use cases continue to scale and mature, the Group anticipates sustained operational and financial benefits, supported by a robust pipeline of use cases in development and pilot stages. Building on the strong foundations established in recent years, OCTAVE is also well positioned to support the next phase of development, as analytical capabilities become more deeply embedded within core business processes, while progressively expanding its external engagements to extend its capabilities beyond the Group.

Managing Human Capital

A sustained focus on human capital remains central to the Group's strategic priorities, with emphasis on enhancing employee engagement, strengthening capabilities, and fostering long term retention. Key areas of focus include advancing professional development pathways, and maintaining competitive and well-structured compensation frameworks. In parallel, recognising employee engagement and well-being as a critical driver of productivity, the Group will continue to roll out initiatives to support employees.

Focused Liquidity Management and Portfolio Optimisation

The Group will continue to evaluate its resilience under various stress tested scenarios, supported by established processes and control frameworks that enable a sustainable and agile operating model, including the continuous monitoring of key financial and non financial indicators and the use of disciplined cost management measures. As large scale investments undertaken in recent years begin to translate into performance, further value realisation is expected as these assets continue to mature. In this context, the Group will place increased emphasis on active portfolio management, evaluating performance across businesses to enhance capital efficiency and support long term value creation, while maintaining a strong balance sheet and prudent liquidity buffers in view of potential macroeconomic volatility. These aspects are discussed in detail in the Financial and Manufactured Capital Review and the Strategy and Portfolio sections of this Report.

KEY RISKS

The strengthening of Sri Lanka's macroeconomic fundamentals supported by stable, broad-based growth marks a notable significant improvement in the operating environment. Whilst these developments are expected to create opportunities for both the country and the Group, the Group will continue to adopt a prudent and cautious approach, particularly in light of external uncertainties. These include geopolitical developments and global economic volatility, which may impact Sri Lanka and the industries in which the Group operates.

The Group has in place a comprehensive enterprise-wide risk management framework that provides a structured approach to identifying, assessing, and managing risks. This has enabled the Group to identify key risks that may impact its performance and has embedded appropriate governance mechanisms, controls, and mitigation actions to manage potential downside risks on its outlook and future performance.

Refer Corporate Governance Commentary: Integrated Risk Management for details of the enterprise risk management framework – page 331.

Risk Trend Summary

Risk Title	Risk Trend	2025/26	2024/25	2023/24
Natural Disasters	New	●	-	-
Macroeconomic and political environment volatility	↔	●	●	●
Financial exposure	↔	●	●	●
Changes in Regulatory environment and operational integrity concerns	↓	●	●	●
Cybersecurity risks	↔	●	●	●
Human resources related risks including talent attrition and employee health and safety	↓	●	●	●
Environment and Biodiversity related risks	↔	●	●	●
Reputation and brand image related risks	↑	●	●	●
Supply Chain Disruptions	↔	●	●	●
Global competitiveness and Portfolio imbalance	↔	●	●	●

Risk Rating

● Ultra High ● High ● Medium ● Low

Risk	Natural disasters
Link to CRRO/SRRO	CR1: Impact to assets and operations due to acute physical risks *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section for information on connected risk - page 370.*
Risk Rating	●
Risk Overview	
Natural Disasters and extreme weather events such as floods, cyclones and landslides due to extreme rainfall are occurring more frequently in Sri Lanka and may cause damage to assets, disruptions to operations and logistics, interrupt utilities, and restrict access for employees, suppliers, and customers, resulting in service delivery disruptions, downtime, and higher repair and insurance costs.	
Mitigation Strategy	
All businesses have in place comprehensive business continuity plans (BCP) to be operationalised in the instance of such disruptive events. The businesses also maintain sufficient insurance coverage in the case of such events. Where possible, business assets are reinforced and regularly maintained to minimise damage from such events. *Refer Natural Capital Review section for further details on management of impacts, risks and opportunities of climate change - page 65.*	
Capitals Impacted	Financial and Manufactured Capital Natural Capital Human Capital Social and Relationship Capital
Related Material Topics	Energy, GHG emissions and climate change resilience Procurement, supply chain responsibility and resilience Occupational health and safety Economic performance and value creation

Risk	Macroeconomic and political environment volatility
Link to CRRO/SRRO	-
Risk Rating	●

Risk Overview

During CY2025, the Sri Lankan economy continued to its growth trajectory. Ongoing progress under the IMF Extended fund facility programme, together with improved confidence in the country's political and economic stability and the fiscal buffers developed over the previous year resulted in the Group downgrading its assessment of macroeconomic and political environment volatility risk, whilst remaining cognisant of the fragile nature of the recovery and ongoing structural uncertainties.

Towards the end of the third quarter of the financial year, the country faced a significant natural disaster in terms of Cyclone Ditwah, which caused temporary disruptions to the Group's operations. However, effective business continuity planning and contingency measures enabled the Group and its operating units to minimise operational disruptions, avoid significant employee and customer health and safety incidents, and limit resulting financial impact.

The Group is mindful of the heightened geopolitical tensions arising from the conflict in the Middle East, together with the closure of key shipping lanes and transit air spaces which occurred in the last quarter of the year and introduced additional uncertainty. These developments carry potential implications for national energy stability and short term tourism demand in the country. In consideration of this the risk has been rated as 'high'. The Group remains mindful of these potential near term frontier risks, and continues to align with national level mitigation efforts, including energy conservation measures.

Mitigation Strategy

The Group continuously monitors the global and local environment to identify risks and assess potential impacts on its businesses. Timely mitigation action is taken, as practical, including aspects such as the diversification of business channels and revenue streams to reduce over reliance on any single geographical market, particularly within the Leisure industry group.

Additional measures include undertaking stress testing and scenario analysis with corresponding contingency plans, maintaining flexible contract arrangements with key suppliers, and conducting ongoing reviews of product and services portfolios to support diversification. Furthermore, in the event of disruptions affecting operational sites, the Group maintains robust business continuity plans. These include flexible working arrangements and working from home options for relevant staff, enabling the Group to sustain critical operations and minimize disruption to the extent possible.

The Group's leadership also plays strategic roles and actively participates in the policy shaping and decision-making bodies representing the different sectors that the Group operates in such as chambers of commerce, and consultative committees in support of the country's economic and development policies.

Refer Knowledge Sharing and Policy Dialogues section of the Social and Relationship Capital Review, for memberships and business associations held by the Group - page 128.

Capitals Impacted	Financial and Manufactured Capital Natural Capital Human Capital Social and Relationship Capital
Related Material Topics	Economic performance and value creation

Risk	Financial exposure, in particular exchange rate and interest rate volatility
Link to CRRO/SRRO	SO1: Sustainable finance and investment *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section of this Report, for information on connected opportunity - page 370.*
Risk Rating	●

Risk Overview

Financial risks across the Group are managed through a structured and disciplined approach overseen by the Corporate Finance and Group Treasury functions, under the guidance of the Deputy Chairperson/Group Finance Director and the Group Executive Committee (GEC), with execution supported by finance teams within individual businesses. This approach is underpinned by Board approved policies addressing interest rate, foreign currency, counterparty and liquidity risks, incorporating defined practices relating to hedging, liquidity management, capital structuring, asset allocation, institutional exposure limits and dividend policy.

Interest Rate Risk

The continuation of an accommodative monetary policy stance by the Central Bank of Sri Lanka during the year, together with further easing of policy rates, supported the persistence of low market interest rates. This environment contributed to a reduction in the Group's overall cost of borrowing, resulting in more favourable funding conditions across the Group. The prolonged low-interest rate environment heightened reinvestment risk on the Group's short to medium term liquid assets, as reinvestment yields remained compressed amid subdued market rates.

At the global level, interest rates continued to trend downward during the year, following the commencement of rate cuts by the US Federal Reserve from September 2025 onwards. These developments contributed to lower borrowing costs on the Group's foreign currency funding. However, ongoing shifts in global monetary policy continued to introduce uncertainty around the medium term interest rate outlook, with potential spillover effects on domestic markets.

Currency / Exchange Rate Risk

Following two consecutive years of appreciation, the Sri Lankan Rupee depreciated during the year, reflecting higher import demand, particularly following the relaxation of motor vehicle import restrictions, alongside evolving global conditions. While sustained foreign exchange inflows from worker remittances, tourism earnings and exports continued to support overall liquidity in the market, increased import volumes contributed to renewed pressure on the currency.

At the Group level, the depreciation of the Rupee resulted in higher import related costs, exerting pressure on import dependent businesses, while businesses with foreign currency denominated revenue streams - particularly within the Leisure and Transportation industry groups - benefited from favourable currency movements, which supported operating performance. The exchange rate outlook continues to be influenced by external factors, including global interest rate developments, geopolitical tensions and their impact on trade flows, energy prices and capital movements, posing ongoing risks to currency stability and increasing uncertainty around the exchange rate trajectory.

Mitigation Strategy

Interest Rate Risk

The Group continues to mitigate interest rate risk through active oversight of its funding profile, including the repricing of borrowings in line with prevailing market conditions and the refinancing of higher cost facilities where appropriate. During the year, the refinancing of the term loan facility at Waterfront Properties (Private) Limited (WPL) was undertaken at a markedly improved rate as against the previous facility, which will translate to a lower finance expense in the ensuing years, subject to foreign exchange translation risks.

Surplus liquidity is invested primarily in short to medium term instruments, aligned with projected cash flow requirements and the Group's risk return considerations. In respect of foreign currency borrowings, interest rate swap arrangements are maintained on selected long term facilities to mitigate exposure to interest rate movements, while residual exposures are monitored and managed with due regard to prevailing market conditions and the interest rate outlook. The Group remains prudent and responsive in its funding and investment decisions, seeking to maintain an appropriate balance between yield optimisation, liquidity management and risk mitigation across both domestic and global interest rate environments.

Currency / Exchange Rate Risk

The Group manages currency and exchange rate risk through a prudent and disciplined approach aimed at limiting the financial impact of adverse currency movements. Where appropriate, foreign currency exposures are managed by aligning liabilities with corresponding foreign currency inflows, and by adopting currency hedging strategies. The translation risk at Group level is 'naturally' hedged through a conscious strategy of maintaining US Dollar cash balances at the Holding Company, whilst also ensuring obligations are managed through US Dollar denominated revenue streams. Domestic and global currency developments continue to be monitored to enable informed funding, hedging and capital allocation decisions.

Credit and Counterparty Risk

The Group engages exclusively with reputable and creditworthy counterparties. Clients are subject to standardised credit assessment procedures and, where appropriate, are required to provide performance bonds, bank guarantees or counter guarantees. These safeguards are reviewed periodically to ensure their adequacy and to address emerging credit risks. Concentration risk is managed through pre defined exposure limits, which are monitored and updated on an ongoing basis.

Liquidity

The Group continues to prioritise maintaining a strong liquidity position, ensuring that available cash balances and undrawn committed facilities remain sufficient to meet short, medium and long term funding requirements, including unforeseen obligations and emerging opportunities. Active engagement between Group entities and banking partners supports the effective utilisation of large exposure limits, facilitating the efficient reallocation of underutilised facilities across the Group. In parallel, the Group continues to broaden its network of financing institutions to support preparedness for potential liquidity requirements.

Refer Financial and Manufacturing Capital Review section for detailed information on the management and mitigation of above risk - page 51.

Capitals Impacted	Financial and Manufactured Capital
Related Material Topics	Economic performance and value creation

Risk	Changes in regulatory environment and operational integrity concerns
Link to CRRO/SRRO	-
Risk Rating	

Risk Overview

The Group remains cognisant of potential risks arising from retrospective and frequent policy level and regulatory changes as the country navigates through its economic recovery and aligns with the IMF programme commitments and upcoming debt repayments. As a result, potential revisions to tax policies to enhance Government revenue, recent energy conservation measures, and fuel pricing and supply constraints arising from geopolitical developments in the Middle East have also been considered in maintaining the regulatory environment risk rating at medium.

While no material changes were observed during the year, nor anticipated in the near term, in respect to laws and regulations pertaining to the natural environment and data privacy, financial implications arising from changes to taxation regulations, uncertainty surrounding import related interpretations, and labour regulations, including minimum wage regulations, have been considered in arriving at the current risk rating.

This risk category also captures the potential loss of business opportunities and cost implications resulting from corruption or inefficiencies within external systems and processes, which may adversely affect cost structures, pricing dynamics, and brand reputation.

Mitigation Strategy

Potential regulatory and policy changes are subject to financial evaluation, including sensitivity analysis to assess their potential impacts and support timely, informed decision-making at both Group and operating unit levels. The Sustainability and Enterprise Risk Management Division, together with the Legal, Governance and Compliance and Tax Divisions, provides ongoing guidance to operating units on changes to laws, regulations, and compliance requirements as and when such changes arise. In addition, senior executives of the Group actively participate in key industry chambers and associations, supporting greater clarity, consistency, and transparency in policy formulation and regulatory implementation.

The Group places the highest importance on ethical practices and maintains a Zero-tolerance Policy to corruption and bribery across all transactions. This commitment is reinforced through the Group's anti-corruption policy, employee code of conduct, and supplier code of conduct, which collectively set clear standards for ethical behaviour across the value chain.

Refer Ethical Business Practices of the Group section of the Corporate Governance commentary for detailed information on the management and mitigation of above risk - page 344.

Capitals Impacted	Financial and Manufactured Capital Human Capital Social and Relationship Capital
Related Material Topics	Business ethics and anti-corruption Environmental and social compliance

Risk	Cybersecurity risks
Link to CRRO/SRRO	SR2: Risk of cybersecurity threats and breaches of data privacy *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section, for information on connected risk - page 370.*
Risk Rating	

Risk Overview

Cybersecurity remains a critical pillar in sustaining operational resilience, ensuring business continuity, and safeguarding the Group's reputation. The Group has transitioned toward a cloud-first operating model and an increased digital footprint. This shift has, however, fundamentally altered the risk landscape. The demand for high-quality, high-availability digital services is now intrinsically linked to Digital Trust. Further, the deployment of agentic AI and automated workflows is becoming central to both productivity and customer value delivery.

Stakeholders and customers expect not only functional tools, but also responsible data stewardship and transparent AI governance. Against this backdrop, the prevalence of decentralized working and the proliferation of non-human identities - including AI agents and automated systems - have materially expanded the Group's attack surface.

Given the sophistication of contemporary threat actors and the potential for agentic risk, whereby automated systems may execute unintended actions, the impact of a security breach remains severe. Accordingly, the risk level is maintained at 'High', reflecting the Group's ongoing commitment to protecting the digital integrity that underpins its brand and stakeholder trust.

Mitigation Strategy
The Group has progressed beyond initial implementation to a fully operationalised, AI-enhanced Zero Trust Cybersecurity Policy Framework. This framework forms the foundation of the Group's Cyber Resilience posture, ensuring that operations can withstand, adapt to, and recover from cyber incidents with minimal service disruption. To strengthen their cybersecurity controls, Union Assurance, InfoMate, and OCTAVE have obtained ISO 27001:2022 certification, while the other Group companies have adopted best practices and aligned their processes with the various security standards as applicable to them. By treating Digital Trust as a strategic and commercial imperative - rather than a compliance obligation - the mitigation strategy is structured around the following pillars: Identity-First Security: Rigorous 'never trust, always verify' protocols are applied consistently to both human and non-human identities. All digital identities are governed with equal rigour through continuous authentication and risk-based adaptive access controls. AI-Powered Defence and Resilience: To manage security on a scale, the Group deploys AI-driven threat intelligence and User-Entity Behaviour Analytics (UEBA). These capabilities enable real-time anomaly detection and automated response playbooks, supporting operational resilience across the environment. Micro-Segmentation and Assume Breach: By isolating workloads and data within secure network zones, the Group operationalises an 'Assume Breach' posture, limiting the potential impact of any incident and preserving the continuity of essential services. Digital Trust and Transparency: The framework incorporates robust assurance mechanisms and regular independent audit reviews, providing stakeholders with a verifiable baseline of confidence. This approach ensures that the Group's digital transformation remains ethical, compliant, and secure. Governance and Executive Oversight: The Group's Policy Framework enables individual business units to supplement Group-wide standards with tailored Standard Operating Procedures (SOPs) aligned to their specific AI deployments. These are subject to oversight and review by Business Unit Boards, Board Audit Committees, and the Group Executive Committee (GEC). This governance structure ensures that the Group's evolution as a data-driven, Cloud-first, AI-first organisation is underpinned by a resilient and accountable architecture - one that sustains the confidence of customers, partners, and broader stakeholders. *Refer Intellectual Capital Review section for detailed information on the management and mitigation of above risk - page 129.*

Capitals Impacted	Financial and Manufactured Capital Human Capital Social and Relationship Capital Intellectual Capital
Related Material Topics	Privacy and data security Business ethics and anti-corruption

Risk	**Human resources, talent management and employee health and safety**
Link to CRRO/SRRO	SR1: Skilled labour shortage and retention risk *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section, for information on connected risk - page 370.*
Risk Rating	

Risk Overview
The risk arising from high employee attrition, challenges in retaining key talent, and gaps in skills and competence has the potential to adversely affect product and service quality, productivity and brand reputation. This risk had been elevated in prior years, driven largely by the domestic economic turmoil and increased outward migration. With the stabilisation of the local economic environment, attrition levels declined during the year compared to the previous period. Accordingly, the risk rating was reduced to 'medium'. Notwithstanding this improvement, the Group continues to prioritise talent acquisition, training, and development initiatives to address existing skill gaps and progressively enhance workforce capabilities, considering the broader macroeconomic and geopolitical context. The Group also recognises the risk of industrial unrest, particularly within the service-oriented operations such as the Leisure, Retail, and Consumer Foods industry groups, which could disrupt operations and service delivery. Furthermore, this risk category encompasses workplace accidents and health and safety incidents, which may impact employee well-being, morale, operational continuity, and brand reputation.

Mitigation Strategy
The Group's Human Resources function has identified strategic focus areas to strengthen the effective management of human capital. To attract and retain talent, the Group implements focused human capital strategies across hiring, engagement, training, and retention. While overarching frameworks are established at the Group level, individual industry groups tailor these approaches to address specific operational and workforce requirements. In order to mitigate risk arising from insufficient competencies and skills gaps, the Group deploys structured learning and development initiatives. These include technical training programmes, leadership development initiatives, and structured onboarding processes designed to strengthen workforce capabilities and operational effectiveness, supported by regular performance evaluations and competency assessments to enable the identification of skill gaps. The Group also emphasises open communication and meaningful consultation to mitigate the risk of industrial disputes. A culture of transparency and collaboration is supported through multiple engagement mechanism, including an Open door Policy, Speak Up Policy, Chairperson Direct communication line, skip level meetings, and formal consultative platforms such as Joint Consultative Committees (JCC's), facilitating constructive dialogue between employees and leadership. The Group's commitment to diversity and inclusion is reflected through a comprehensive DE&I Policy, supported by the Gender Policy and the Persons with Disabilities (PWD) Policy, which collectively promote equitable access to opportunities and fosters an inclusive workplace culture. The occupational health and safety risks are managed through a structured and proactive system of hazard identification, risk assessment, audits, and incident reporting. A proactive safety culture supported by structured training, collaboration, and ongoing oversight. Where relevant, industry groups align with the ISO 45001:2018 standard and have adopted sector specific safety guidelines. *Refer Human Capital Review section for detailed information on the management and mitigation of above risk - page 95.*

Capitals Impacted	Human Capital Social and Relationship Capital
Related Material Topics	Business ethics and anti-corruption Occupational health and safety Diversity, equal opportunity and non-discrimination Talent attraction and retention Labour rights

Risk	**Environment and biodiversity related risks**
Link to CRRO/SRRO	CR3: Energy volatility and transition to low carbon alternatives SR4: Disposing plastic, packaging and hazardous waste and meeting EPR requirements SR5: Inadequate infrastructure and facilities for waste disposal leading to landfill dependency SR6: Water scarcity and deterioration of water quality CO1: Investment in renewable energy SO2: Cross-sector circular economy solutions SO3: Ecosystem conservation and restoration to support nature-based demand SO4: Efficient effluent/wastewater management *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section, for information on connected risks and opportunities - page 370.*
Risk Rating	●

Risk Overview
The Group operates across a diverse portfolio of industry groups, including Leisure, Consumer Foods, Financial Services, Retail and Transportation which are primarily impacted by this risk item. Given the breadth and nature of these operations, the Group recognises that its operations may have an impact on multiple aspects of the environment, including water usage, energy consumption, emissions and waste generation, which in turn may lead to potential risks and opportunities. Furthermore, dependencies on external environmental resources also form a source of risk and opportunities, and thus its management processes seek to ensure that the Group operates in full compliance with all applicable environmental regulations and has in place policies and processes to mitigate negative impacts to the environment, while increasing resilience to environmental risks.

Mitigation Strategy
Regular monitoring of key environmental indicators, including energy consumption, emissions, water use, waste generation, and effluent discharges enables the Group to ensure ongoing compliance with applicable environmental laws and regulations, while striving to meet or exceed recognised international benchmarks. Across its operations, the Group aligns with global best practices through adoption of internationally recognised management systems and certifications including ISO 14001 for Environmental Management, ISO 50001:2018 for energy management, Green Building certifications such as LEED, and Travelife standards within the Leisure industry group. Environmental and social objectives are embedded in performance expectations, and a culture of excellence is promoted through recognition programmes such as the Chairperson's Award for Sustainability. Energy and GHG emissions management is guided by the Group's Energy Management Policy, where the Group manages impacts through a structured approach encompassing operational efficiency improvements, optimisation of energy use, and the gradual integration of renewable energy solutions across its operations. Industry groups regularly monitor energy consumption and emissions to identify opportunities for efficiency improvements and operational optimisation. This includes initiatives such as improving equipment performance, optimising operational processes, and upgrading energy-intensive systems, where feasible. The Group manages water and effluent related impacts through a combination of operational controls, infrastructure investments, and monitoring systems, guided by a Group Water Management Policy that sets expectations for responsible water use and wastewater management across sectors. Adoption of water efficient equipment, process optimisation, and efficient plumbing infrastructure to reduce water consumption at source are some of the initiatives undertaken to mitigate this risk. The Group maintains a Waste Management Policy and a Hazardous Waste Management Policy, which provide guidance on the responsible handling, segregation, disposal, and regulatory compliance relating to waste generated across operations. Across the Group, standardised processes for waste collection, segregation and measurement are in place, supported by staff awareness and training on responsible waste management practices. Initiatives include structured waste segregation protocols, responsible disposal through licensed and authorised vendors, strengthened recycling initiatives and monitoring mechanisms to track waste generation. Biodiversity impacts may arise from land use, tourism-related activities, infrastructure development and visitor interaction with the natural ecosystems. These impacts are managed through site-level environmental management practices, conservation partnerships and responsible tourism initiatives designed to protect ecosystems and minimise disturbance to biodiversity. Ecosystem conservation and restoration is recognised as an opportunity to the Group, given its role in strengthening destination resilience, preserving ecosystem services, and sustaining long term tourism demand. *Refer Natural Capital Review section for detailed information on the management and mitigation of above risk - page 65.*

Capitals Impacted	Natural Capital Social and Relationship Capital
Related Material Topics	Biodiversity Energy, GHG emissions and climate change resilience Water and wastewater management Waste management and packaging

Risk	**Reputation and brand image related risks**
Link to CRRO/SRRO	SR3: Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section, for information on connected risk - page 370.*
Risk Rating	

Risk Overview
The Group values its longstanding reputation as an ethical corporate with a Zero-tolerance Policy for breaches in regulatory compliance or governance and recognises the impact it has on stakeholder trust, customer loyalty, market positioning and long term success. The Group identifies reputation and brand image risks arising from several sources. These include product quality, safety and labelling issues, as well as non-compliance with standard operating procedures (SOPs). Risks may also arise from the misuse of the Group's intellectual property and trademarks by third parties, staff non-adherence to internal processes, adverse media coverage or competitor behaviour, and ineffective corporate communications or management responses. Whilst the Group continues its efforts in maintaining its position as a trusted brand, it recognises the increasing attention as a result of the operation of its integrated resort, and uncertainties of import related interpretations pertaining to its New Energy Vehicles business, which has resulted in the risk being increased to a 'Medium' rated risk.

Mitigation Strategy
Product quality, safety, marketing communications and labelling considerations are embedded into strategic and operational decision-making through approved standard operating procedures, quality-assurance frameworks and sector-specific standards. Management prioritises robust SOP governance, preventive controls, compliance with applicable regulatory and certification requirements, change-management discipline, continuous monitoring and staff training to minimise deviations, reduce incident risk and protect customer trust and brand integrity. The Group has established food-safety and quality-management systems, regular internal and external audits, structured training programmes, incident-reporting mechanisms and product-recall procedures. As such, the Group aligns its operations with globally recognised standards including ISO 9001:2015 for quality management, FSSC 22000 and ISO 22000:2018 for food safety, and Good Manufacturing Practices for safe production practices, alongside TourCert and Travelife for responsible tourism. These frameworks reinforce robust governance, product safety, ethical practices, and community well-being across the value chain. Strong governance frameworks and sector-specific standards are in place across hotels, retail and food processing operations to support consistent compliance and risk management. The Group enforces a stringent Code of Conduct that all businesses and employees are required to adhere to. This is strengthened through a robust governance framework that includes Anti-Corruption, Anti-Bribery and Anti-Money Laundering Policies, a Whistle-Blower Process, an independent Ombudsperson and a 'Chairperson Direct' communication line, amongst others. All businesses conduct risk assessments to identify significant risks related to corruption and address such risks through appropriate mitigative actions. All marketing and public communications are vetted in line with the Group's policies on marketing and communications while product quality standards are maintained through stringent quality assurance processes. The Group uses a variety of means of communication and aims to ensure that its brand presence is well established, and its reputation is maintained on mainstream media as well as emerging social media platforms. In addition, the Group recognises the growing importance of environmental stewardship in protecting its reputation. Several businesses have adopted practices aligned with Extended Producer Responsibility (EPR), particularly in relation to plastic use and waste management. These initiatives are aimed at minimising the environmental footprint of products and packaging towards promoting sustainable consumption and disposal practices. While the Group has its standards and practices to maintain its reputation, it also cognisant that the businesses which the Group partners with follow similar governance and brand reputation standards. This is particularly relevant at the stage of selection of such partners. John Keells Foundation further reinforces the Group's reputation through its long-running and numerous strategic corporate social responsibility activities, concentrated on the focus areas of, education, community and livelihoods, social health and cohesion, and biodiversity.

Capitals Impacted	Financial and Manufactured Capital Natural Capital Human Capital Social and Relationship Capital Intellectual Capital
Related Material Topics	Product quality, safety, marketing communications and labelling Business ethics and anti-corruption Environmental and social compliance

Risk	**Supply chain disruptions**
Link to CRRO/SRRO	CR2: Disruption to supply chain due to acute physical risks of climate change *Refer Sustainability- and Climate-Related Risks and Opportunities of the SLFRS S1 and S2 Disclosures section, for information on connected risk - page 370.*
Risk Rating	

Risk Overview
The businesses increasingly face the risk of supply chain disruptions due to impacts from extreme weather events, environmental, labour and human rights violations by suppliers affecting their business continuity, and geopolitical events such as the ongoing conflict in the Middle East and the secondary impacts stemming from it such as fuel and other supply shortages. The Group continues to place a concerted effort in improving its supply chain resilience. Towards the end of the third quarter of the year, the Group faced short term supply chain disruptions due to Cyclone Ditwah. However, due to the timely activation of the contingency plans in place, the Group was able to overcome the challenges with minimal disruptions and no significant financial impacts. The Group is monitoring the ongoing geopolitical events and resultant impacts on key macroeconomic variables as well as supply chains. Whilst the financial year under review saw limited impact, mainly since it was towards the last month, if the conflict prolongs further, certain supplies could be disrupted, although mitigating actions are in place. In consideration of this uncertainty, this risk has been rated as 'medium'.

Mitigation Strategy	
The Group mitigates disruptions caused by acute weather events, through alternate suppliers, buffer inventories, multiple transport options and close supplier coordination, while adapting through flexible delivery and schedule adjustments during adverse weather. Long term plans include expanding diversified sourcing networks, supporting climate-resilient farming, strengthening logistics and warehousing resilience and improving weather-risk monitoring to ensure supply continuity. The Group has in place a comprehensive Supplier Code of Conduct, which sets out expectations of supplier performance with respect to key sustainability aspects, including environmental responsibility, ethical labour practices, anti-corruption requirements and regulatory and legal compliance. Continuous efforts are made by implementing various knowledge sharing and other initiatives in order to increase supply chain resilience. Strategies such as non-reliance on a single supplier for critical products, new supplier development and supplier engagement activities such as supplier fora and training continue to be carried out to aid knowledge transfer and sharing of best practice.	
Capitals Impacted	Financial and Manufactured Capital Social and Relationship Capital
Related Material Topics	Energy, GHG emissions and climate change resilience Procurement, supply chain responsibility and resilience

Risk	**Global competitiveness and portfolio Imbalance**
Link to CRRO/SRRO	-
Risk Rating	
Risk Overview	
Risk of loss of market share arising from inability to keep pace with globalisation, new technology and competitor action affecting revenue and market share is identified as a key risk to the Group. Whilst the Group benchmarks itself with global industry leaders and, as such, continues to improve and adhere to global best practices and frameworks required to maintain competitiveness. As a diversified business, the Group's performance is inherently influenced by the relative weighting of its businesses across industries and sectors. A disproportionate concentration in specific sectors or industries may give rise to portfolio imbalance and increased volatility, particularly during industry-specific downturns or through increased exposure to cyclical businesses or those at the early stages of their growth cycle. While the diversified nature of the Group's portfolio has benefited from contributions across businesses at varying times, reflecting differences in growth profiles and sensitivity to macroeconomic conditions, the development phase of large-scale projects may result in a temporary skew in portfolio composition and return dynamics.	
Mitigation Strategy	
Group businesses operate with a global mindset, while striving to operate within global benchmarks with constant evaluation of global trends, scanning of external environment and actioning to capture opportunities and explore disruptive and innovative technologies. This mindset is deeply ingrained throughout the Group with the aim of staying ahead of emerging technologies that can enhance stakeholder satisfaction, as well as boost internal productivity and efficiency. This mindset is further exemplified by the annual Chairperson's Award for Disruptive Innovation, which recognises businesses that best embody this ethos. Additionally, the Group possess an advance data analytics arm to provide business insights. The Group mitigates the risk of performance volatility due to portfolio imbalance through active portfolio monitoring, disciplined capital allocation and strategic diversification across business cycles. Regular portfolio reviews, together with a focus on balancing exposure across growth, mature and non cyclical businesses, support portfolio resilience and alignment with long term value creation goals. The Group considers the composition of its core business portfolio to be reasonably balanced, given the diverse nature of revenue streams as well as the direct and indirect exposure to foreign currency denominated income streams through the Leisure, Ports and Shipping and Bunkering businesses. The commencement of operations of all components of the City of Dreams Sri Lanka (CODSL) integrated resort, together with Phase 1 of the West Container Terminal (WCT-1), marked a key milestone in the Group's capital investment cycle. CODSL is expected to be a significant driver of foreign exchange earnings, particularly with the ramp-up of gaming operations. WCT-1, the Port of Colombo's first automated deep-water terminal, has strengthened the Port's capabilities and reinforced Sri Lanka's position as a regional maritime hub. While both projects are now well positioned to contribute meaningfully to the Group's earnings and support sustained profitability over the medium to long term, short term impacts on profitability are expected until such time the projects ramp up and scale. Additionally, emphasis is placed on optimising capital efficiency within capital intensive industry groups such as Leisure and Property, through strategies such as asset light models for hotel expansions and the monetisation of the land bank. In line with the asset light strategy within the Leisure industry group, Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel Kandy, was divested on 31 March 2026, while the launch of Vauxhall DSTRCT supported the monetisation of underlying land assets.	
Capitals Impacted	Financial and Manufactured Capital Human Capital Intellectual Capital
Related Material Topics	Economic performance and value creation

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

The Strategy, Resource Allocation and Portfolio Management section provides detailed insights into how the Group's investment decisions are made by analysing the performance of the overall portfolio, evaluating the Group's strategic direction and determining capital allocation strategies.

The Group remains focused on identifying and pursuing growth opportunities that align with its medium to long term objectives and its vision of 'Building businesses that are leaders in the region'. Resource allocation is guided by a systematic approach that reflects the Group's core values and strategic direction.

The Group's portfolio is reviewed continuously to ensure that capital remains aligned with sectors where structural demand, competitive positioning, and return potential justify further deployment. The improvement in profitability and quarter-on-quarter momentum during the year indicates that allocation decisions are beginning to translate into stronger operating outcomes, while also reinforcing the portfolio's relevance across both domestic and regional markets.

The Group remains positive on the long term fundamentals of its core sectors, as the underlying demand drivers and outlook of these businesses continue to be relevant. At the same time, management recognises that value creation will increasingly depend not only on sector selection, but also on adapting operating models to changing customer behaviour, technology adoption, and geographic opportunities. Accordingly, the Group continued to invest in digitisation, innovation, geographic diversification of markets, and the expansion of offshore revenue streams to sustain growth and improve portfolio agility.

The Group demonstrated resilience during the year by managing the effects of Cyclone Ditwah without material operational or financial disruption. It also proactively managed controllable risks arising from geopolitical tensions in the Middle East since late February 2026. These developments underscore an important feature of the portfolio: diversification is not only a source of earnings breadth, but also a practical buffer against concentrated external shocks when supported by disciplined risk management.

The Group considers the balance of its core portfolio to be appropriate, supported by diversified revenue streams and meaningful direct and indirect foreign currency exposure, particularly through Leisure and port-adjacent activities. During the year, rising tourist arrivals and strong throughput in port-related businesses supported profitability and validated this positioning. The performance of Colombo West International Terminal (CWIT), the project company of the West Container Terminal (WCT-1), is particularly notable, as the rapid absorption of newly added capacity points to robust underlying demand at the Port of Colombo and strengthens confidence in the asset's medium to long term earnings potential which is already operating at a positive profit after tax (PAT).

The year under review marked the operationalisation of two of the Group's largest projects, City of Dreams Sri Lanka (CODSL) and WCT-1, signalling a shift from an investment-heavy phase toward one of contribution and scaling up. CODSL recorded its first quarter of positive EBITDA during the year, supported by improving occupancy and stronger market traction across key source markets. WCT-1 also delivered encouraging progress, with consistent month-on-month growth in throughput and a positive PAT despite depreciation and a portion of finance costs relating to phase 1 of the project. Together, these developments represent an important inflection point in the Group's capital cycle, while near term results will continue to reflect normal ramp-up effects, both assets are now beginning to have a positive contribution against the capital deployed as opposed to the gestation period of large capital heavy investments. These investments are expected to become more meaningful earnings contributors over time.

Similarly, John Keells CG Auto (Private) Limited (JKCG), the Group's New Energy Vehicles (NEV) business, recorded a strong performance driven by pent-up demand following the easing of vehicle import restrictions after a prolonged period. Beyond the immediate demand recovery, the business remains strategically relevant as the Group builds capabilities in an emerging energy vehicles (EV) mobility segment through showrooms, charging infrastructure, and after-sales support. As this ecosystem scales, JKCG is expected to sustain its strong contribution to earnings while also broadening the portfolio's exposure to future-oriented consumer demand.

Refer the Leisure, Transportation and Retail industry groups for a discussion on CODSL, CWIT, and JKCG respectively – page 167 onwards.

The following strategic priorities are being pursued across Group businesses to strengthen earnings quality, capital efficiency, competitiveness, and long term resilience.

Sustainable Value Creation

The Group's strategy for sustainable value creation is centred on expanding earnings pools that are scalable, resilient, and competitively differentiated. This includes growing revenue streams, increasing market share in selected segments, and pursuing opportunities where innovation and digitisation can strengthen returns rather than simply add volume.

Cost Optimisation

The emphasis on cost optimisation is intended not merely to reduce expenditure, but to improve operating flexibility and protect margins across cycles. Leaner cost structures have helped businesses navigate recent volatility and should remain important in preserving profitability as the external environment continues to evolve.

Brand Development

The Group's approach to brand development is focused on building durable brand equity by aligning customer insight, market positioning, and delivery against each brand's promise. Stronger brands should improve pricing power, customer loyalty, and the efficiency of growth investments over time.

Talent Management

The Group continues to invest in attracting, developing, and retaining high-quality talent, recognising that execution quality and leadership depth are critical to sustaining growth. Its people strategy is aimed at creating a culture of integrity, accountability, and performance, while ensuring that workforce capabilities evolve in line with changing business needs.

Process and Risk Management

The Group continues to strengthen business processes and governance frameworks through re-engineering, continuous improvement, and enterprise risk management aligned with international best practice. These initiatives result in better control, faster decision-making, and greater consistency in execution across a diversified portfolio. The rollout of SAP RISE and related initiatives will focus on ensuring the processes of the Group are benchmarked and aligned with international best practice.

Digitisation

The Group's digitisation agenda is aimed at strengthening the digital quotient of both individuals and businesses, with data and advanced analytics serving as key enablers. Over time, the Group has seen the benefits of improved decision quality, productivity, process efficiency and scalability, while also helping the Group identify disruptive shifts early from a customer perspective and respond with greater speed.

Environmental Responsibility

The Group remains committed to reducing its environmental impact through a robust environmental management system and alignment with Group-wide sustainability targets. Embedding environmental considerations into operating decisions will support regulatory readiness, resource efficiency, and long term business resilience. The effects of Cyclone Ditwah underscore the need for further strengthening of climate-related resilience initiatives while also validating some of the business continuity and recovery plans of the Group's businesses.

Diversity, Equity and Inclusion (DE&I)

A culture of equitable inclusion is promoted through the ONE JKH initiative, aiming to encourage and embrace diversity, attract and retain the best talent and enhance productivity across the Group's value chains and communities.

Community and Corporate Social Responsibility (CSR)

The Group continues to advance its ESG commitments by partnering with communities to support productivity, self-reliance, and resilience, thereby contributing to a healthier and more cohesive Sri Lanka. These initiatives are led by John Keells Foundation.

REGULAR ASSESSMENT OF RISK AND REWARDS

In measuring operational performance, the Group regularly assesses each business across factors such as customer orientation, supplier concentration, bargaining power, joint venture (JV) partner dependence, cyclicality, relative industry performance, exposure to the Sri Lankan economy, regulatory and technological barriers, and the current and emerging competitive landscape.

The capital structure of new ventures is stress tested under multiple scenarios, with proactive mitigating actions taken where appropriate, particularly in relation to foreign exchange exposure during both development and operating phases. Ongoing projects are also reviewed with independent and recognised parties to support objective assessment of capital structure, economic viability, and key risks.

Given the Holding Company's diversified interests, resource allocation and portfolio management are imperative in creating value for all stakeholders through evaluation of the Group's fundamentals which are centred on the forms of Capital. Whilst there are potential opportunities in diverse industries, the Group continues to follow its five step, structured methodology indicated below, in evaluating its portfolio and thereby guiding investment and divestment decisions.

Financial Filter
Bedrock of the decision criteria based on the JKH hurdle rate.

Growth Filter
Evaluates the industry attractiveness and growth potential based on the industry lifecycle.

Strategic Fit
Evaluates the long term competitive advantage of a business/industry by closely evaluating the competitive forces, specific industry/business risks, and ability to control value.

Complexity Filter
Considers factors such as sustainability, senior management time and the risk to brand image and reputation in conjunction with anticipated returns.

Sustainability Filter
Assesses the material sustainability-related and climate-related risks and opportunities (SRROs and CRROs) to determine long term resilience and value creation.

The Project Risk Assessment Committee, a Board Committee, provides the Board with increased visibility of large-scale new investments and assists the Board in assessing risks associated with significant investments, particularly at the initial stages of discussions, by providing feedback and suggestions in relation to mitigating risks and structuring arrangements. Intervention is mandatory as per the committee's scope, if the investment value exceeds a Board mandated threshold.

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

HURDLE RATE OF JKH

The present hurdle rate of JKH is 15%, which is a function of the weighted average cost of capital (WACC). The WACC is derived from the Group's cost of equity, cost of debt, target capital structure, tax rates and the value creation premium required over and above the WACC.

Given the stable macroeconomic indicators, the Group maintained its hurdle rate at the same level during the current year. This rate serves as the initial benchmark in evaluating project feasibility, with project-specific modifiers applied to provide a more granular assessment. For example, a risk modifier is applied to investments with high foreign currency exposure, using a project-specific cost of debt and equity return benchmark. This is then compared against projects with similar risk profiles.

The Group will continue to assess evolving economic conditions and geopolitical uncertainties to determine whether revisions to the long term hurdle rate are necessary.

CONCEPTUALISING PORTFOLIO PERFORMANCE

The Group seeks to balance near term portfolio returns with medium to long term value creation, recognising that strategic, capital-intensive investments typically go through a period of earnings dilution before reaching efficient utilisation. With the operationalisation of two of the Group's largest projects, CODSL and WCT-1, the portfolio is now moving beyond a phase dominated by construction and early operating costs toward one increasingly shaped by contribution and scale-up. This transition is important because it will gradually improve the correlation between earnings and the enhanced capital base over the medium term.

In the short to medium term, the Group's priority will be to extract full value from these investments by accelerating ramp-up, improving utilisation, and enhancing yields across CODSL and WCT-1. At the same time, capital allocation is expected to remain selective, with greater emphasis on businesses and initiatives that offer shorter gestation periods, faster capital velocity, or the opportunity to unlock value from the existing portfolio. This reflects a more calibrated phase of the capital cycle, where operational execution and portfolio optimisation take precedence over fresh capital deployment in long gestation large capital investments.

To optimise returns on capital deployed, the Group is pursuing a structured portfolio strategy that includes:

- Adopting asset-light models, particularly within the Leisure industry group, such as the recently launched Kandy Myst by Cinnamon and the divestment of the entire equity stake in Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel Kandy, while retaining management rights.
- Divesting non-core businesses, such as with the sale of the equity stake of Tea Smallholder Factories PLC (TSF) in April 2025 and the stake in FairFirst Insurance Limited in September 2025, in order to recycle capital toward areas with stronger strategic fit or superior return potential.
- Monetise land banks selectively to unlock value and improve capital velocity. The launch of the Property industry group's latest project, Vauxhall DSTRCT, is aimed at commencing the phased monetising of the Group's land in Colombo 2.
- Pursuing disciplined, selective expansion within core verticals, particularly in Consumer Foods and Retail while placing special focus on strengthening distribution networks, leveraging synergies with existing manufacturing, logistics, and customer platforms to drive earnings growth without disproportionate capital outlay.

The Group remains mindful of the significant capital deployed in recent years and continues to evaluate projects through a disciplined capital-efficiency lens, particularly in more capital-intensive industry groups such as Leisure and Property. While strategic investments such as CODSL and WCT-1 required substantial upfront outlays, the next phase of value creation will depend increasingly on improving utilisation, margins, and cash generation from these assets. Capital-raising decisions will therefore remain anchored to return thresholds, balance sheet flexibility, and the need to preserve optionality for future opportunities.

The Group's focus on CODSL will continue to prioritise the development of key markets in the region to establish the brand and property with prospective consumers. In this regard, the upcoming launch of an inaugural thrice-weekly flight to Ahmedabad, supported by a minimum seat underwriting arrangement by the Group over a 12-month period, underscores the targeted approach to building demand and strengthening market access. The commissioning of phase 2 of WCT-1 will further improve capacity while allowing the momentum of volume growth currently witnessed where current phase 1 capacity is already fully utilised, considering the monthly run rate of volumes to continue into the next financial year and beyond. This will drive efficiencies and absorption of fixed costs despite the recognition of the full depreciation and interest cost in the ensuing financial year onwards.

As a diversified conglomerate, the Group has historically benefited from varying earnings contributions across industries and business cycles. In recent periods, earnings have increasingly shifted toward higher-ROCE segments, notably Consumer Foods, Retail, Financial Services, and Transportation, supported by intentional growth strategies and improving operating leverage. This matters at the portfolio level because a greater share of earnings from these businesses should support a steadier improvement in consolidated ROCE even as larger strategic assets continue to ramp-up.

LONG TERM ASPIRATIONS

The Group remains focused on delivering sustained value to all stakeholders, with a particular emphasis on shareholders. Our long term financial goals continue to guide decision-making and are monitored regularly to ensure progress towards the Group's vision and objectives.

The Group continues to monitor its long term financial goals against the backdrop of a capital cycle that has temporarily weighed on reported returns through higher upfront investment, start-up losses, and ramp-up costs associated with major new projects such as CODSL and WCT-1. Management believes these targets remain relevant because recent performance suggests that the portfolio is moving through the trough of this cycle and into a phase where the earnings contribution from these assets should become more visible over the medium to long term.

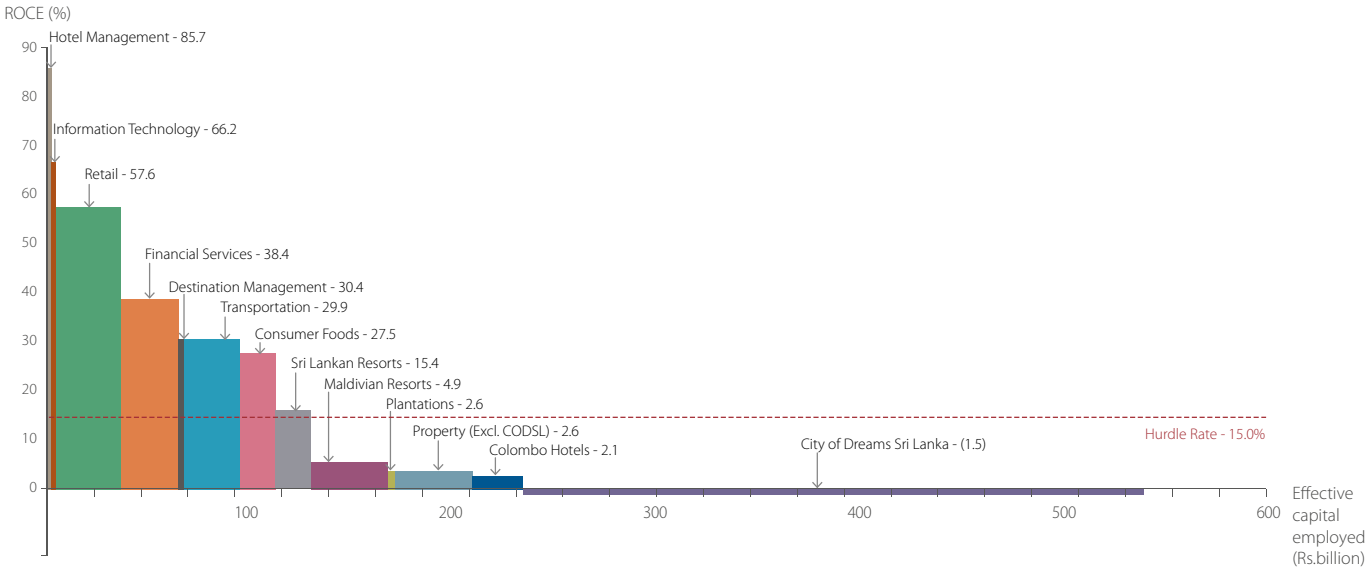
Indicator (%)	Goal	Achievement		
		31 March 2026	31 March 2025	31 March 2024
EBIT growth	>20	89.3	(5.4)	1.6
EPS growth (fully diluted)	>20	142.4	(54.0)	(38.2)
Cash EPS growth (fully diluted)	>20	202.6	(23.1)	(67.3)
Long term return on capital employed (ROCE)	15	9.0	5.1	5.5
Long term return on equity (ROE)	18	3.4	1.4	3.2
Net debt (cash) to equity (With Leases)	50	39.1	34.9	42.2
Net debt (cash) to equity (Without Leases)	50	31.2	27.8	33.7

Refer Industry Group Reviews for an analysis of sector wise performance – page 167 onwards.

PERFORMANCE OF THE PORTFOLIO

The multiple capital-raising transactions in the past few years, and the Rights Issue in October 2024 have contributed to a notable increase in the capital base. This increase in the capital base, which was necessitated due to the funding requirements for the completion of the Group's landmark projects and on account of the uncertainty and volatility in the Sri Lankan economy that was experienced from CY2019 to CY2023, in particular, have resulted in negative impacts on ROCE and ROE.

As noted above, this cycle has reached a turning point, with recent investments becoming cash flow positive during the year and expected to strengthen further in the years ahead. This is consistent with the normal pattern of large capital projects, where returns are initially diluted by construction and early operating costs before improving as utilisation rises and fixed costs are absorbed over a larger revenue base.



Refer Industry Group Review for further details – page 167 onwards.

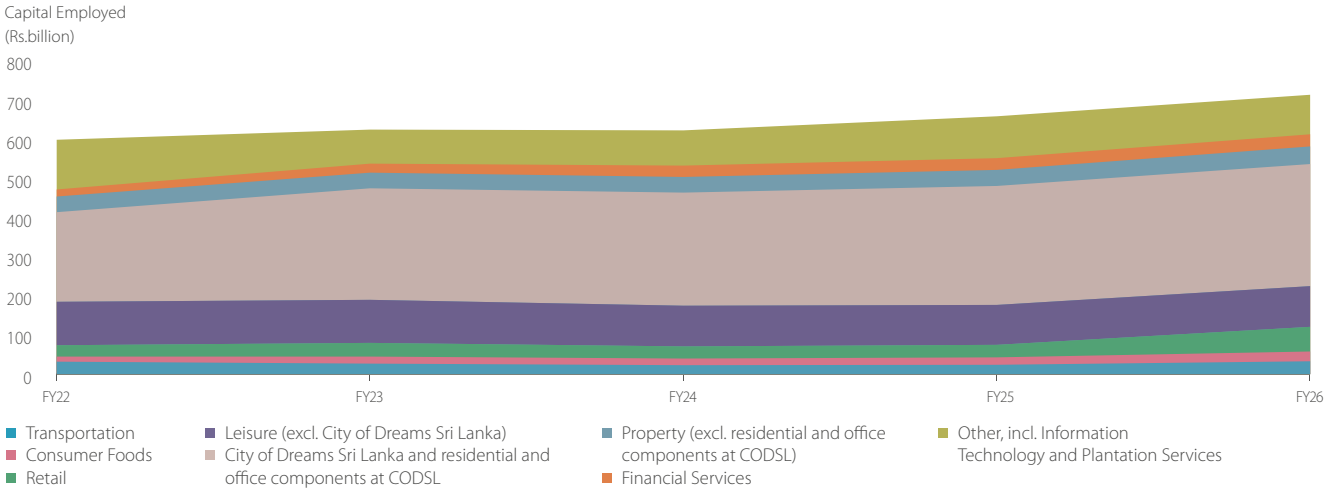
While these investments weighed on returns during their early phases, the Group's position is that they should be assessed over the full capital cycle rather than on near term dilution alone. The strengthening of the capital base and the pursuit of transformational investments supported the Group preserve resilience during a volatile economic period and are now beginning to support profitability, providing a more credible foundation for sustainable growth.

Accordingly, Group ROCE increased to 9.0% in 2025/26 from 5.1% in the previous year. The improvement was driven primarily by stronger EBIT generation, with additional support from better asset utilisation and the funding mix within the capital structure. As illustrated in the graph, the capital employed in CODSL is significantly higher than the rest of the portfolio. While CODSL is showing signs of generating a positive EBIT and moving towards a positive contribution to ROCE, the performance has significantly tempered overall Group ROCE performance. Excluding the Group's integrated resort, the rest of the Group portfolio achieved a ROCE of 16.9% against 11.1% in the previous year, demonstrating the returns of the rest of the portfolio, which is encouraging. Continued growth and expansion of investment in these higher ROCE businesses, as envisaged with the Retail and Consumer Foods growth strategies, in particular, together with the anticipated portfolio actions on optimising capital allocation and asset light strategies in Leisure will further aid driving the momentum of ROCE towards the Group's hurdle rate in the medium to long term.

STRATEGY, RESOURCE ALLOCATION AND PORTFOLIO MANAGEMENT

Portfolio Movements

Portfolio movements over the past five years are illustrated below.



Key movements:

» The reclassification of JKCG from an equity accounted investment to a fully consolidated subsidiary.

Significant Movements of the Portfolio

	2022/23	2023/24	2024/25	2025/26
Investments	JKH invested Rs.80.91 billion in WPL.	JKH invested Rs.19.58 billion in WPL.	JKH invested Rs.27.21 billion in WPL.	JKH invested Rs.19.48 billion in WPL.
	JKH invested Rs.2.72 billion in WCT-1.	JKH invested Rs.5.17 billion in WCT-1.	JKH invested Rs.6.81 billion in WCT-1.	JKH invested Rs.100 million in JK Restaurants.
		KHL further invested Rs.584 million in Indra Hotels and Resorts Kandy (Private) Limited (IHRL).	KHL further invested Rs.496 million in IHRL.	Yala Village (Private) Limited acquired 92.89% of Yala Adventure (Private) Limited for a total consideration of Rs.85 million.
		JKH made an initial investment of Rs.400 in subscribing to the promoter shares of John Keells CG Auto (Private) Limited (JKCG).	JKH further invested Rs.270 million in JKCG	
			JKH infused Rs.224 million in Mack International Freight (Private) Limited.	
Divestments				Divestment of the totality of JKH's equity stake in Tea Smallholders Factories PLC, recording a loss of Rs.259 million at a consolidated level.
				Divestment of Fairfirst Insurance Limited by Union Assurance PLC, recording a gain of Rs.273 million at a consolidated level.
				Disposal of Kandy Walk Inn Limited, the owning entity of Cinnamon Citadel Kandy, by John Keells Hotels PLC, recording a disposal gain of Rs.1.52 billion, at a consolidated level.

SHARE INFORMATION

This section entails an overview of the local and global market conditions which prevailed during the year under review and concludes with a discussion of the Company's share-related information.

Total number of shares in issue as at 31 March 2026	17,699,275,116
Public shareholding as at 31 March 2026	72.37%
Stock symbol	JKH.N0000
Newswire codes of the JKH Share	
Bloomberg	JKH.SL
Dow Jones	P.JKH
Reuters	JKH.CM

GLOBAL AND LOCAL EQUITY MARKET REVIEW

Global Equity Market Review

Global equity markets delivered robust returns in CY2025 despite persistent macroeconomic and geopolitical uncertainty. Performance remained concentrated in technology-led sectors, supported by resilient corporate earnings, continued capital expenditure on artificial intelligence (AI) infrastructure, and sustained investor preference for quality growth franchises.

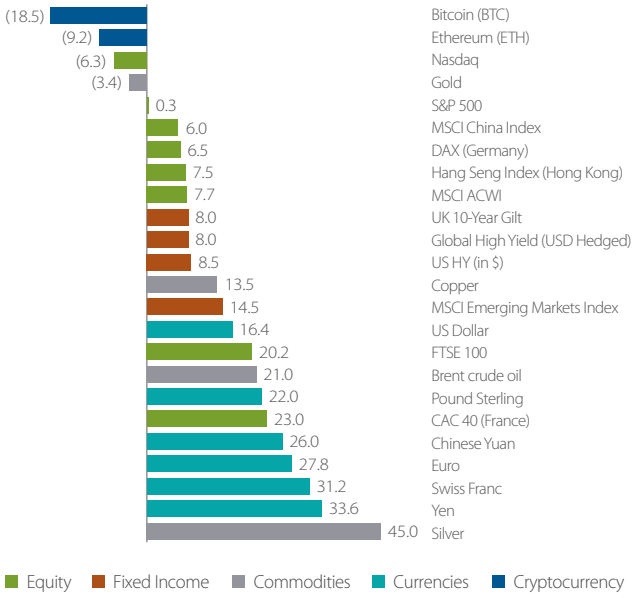
Against this backdrop, the MSCI All Country World Index (ACWI) rose 22% during the year. In the United States (US), the S&P 500 advanced 16%, recording a third consecutive year of double-digit gains, while the Nasdaq Composite rose 41%, highlighting the continued leadership of large-cap technology stocks. Other developed markets also generated strong returns, with Japan's Nikkei 225 gaining 26%, while select European markets outperformed, including Greece's ATHEX Composite and Spain's IBEX 35, which rose 44% and 49%, respectively.

Emerging markets outperformed developed market peers, with the MSCI Emerging Markets Index increasing 34%, supported by relatively attractive valuations, improving capital flows, and stronger sentiment toward export-oriented technology markets. Korea led global market performance, with the KOSPI surging 114%, while Taiwan and China also recorded strong gains, benefiting from continued strength in semiconductor demand and broader AI-related supply chains. Latin American markets also delivered solid returns, aided by firmer commodity prices, more stable macroeconomic conditions, and improving investor confidence across key markets.

Notwithstanding this strong annual performance, market conditions were tested in April 2025 when renewed US-China trade tensions and additional tariff announcements triggered one of the sharpest global equity sell-offs since 2020. Major US indices fell by ~4% to 6% in a single day, while volatility rose sharply across global markets, particularly within export-oriented and technology sectors. The episode underscored the sensitivity of risk assets to trade policy developments and elevated geopolitical risk. Sentiment subsequently stabilised in the second half of the year, supported by diplomatic developments, evolving expectations of monetary policy easing, and continued earnings resilience.

Beyond equities, precious metals generated exceptional returns during the year, supported by safe-haven demand, geopolitical uncertainty, industrial consumption trends, and strong investor inflows.

Shifts in Asset Classes
(CY25 performance: %, end-of-week)



Sources: JP Morgan, MSCI and Visual Capitalist.

Sri Lankan Equity Market Review

The Sri Lankan equity market recorded a strong performance during CY2025, supported by improving macroeconomic stability, easing financial conditions, and a sustained recovery in corporate earnings. The All Share Price Index (ASPI) and the S&P Sri Lanka 20 Index broadly reflected this positive backdrop, closing the year at 22,624 points and 6,157 points, respectively, representing gains of ~42% and 27%. This followed an exceptional return of 49.7% in the prior year, extending the market's multi-year recovery and positioning Sri Lanka among the stronger-performing equity markets in the region.

Market performance was underpinned by continued macroeconomic stabilisation, a return to modest GDP growth, and an accommodative monetary policy environment that supported lower interest rates and improving credit conditions. Progress under the International Monetary Fund (IMF) Extended Fund Facility, together with sovereign credit rating upgrades from default status, strengthened policy credibility and contributed to a gradual return of foreign investor interest. Declining Treasury bond yields, subdued inflation, and the continued exemption of capital gains on listed equities from income tax further enhanced the relative attractiveness of equities compared with fixed-income instruments.

SHARE INFORMATION

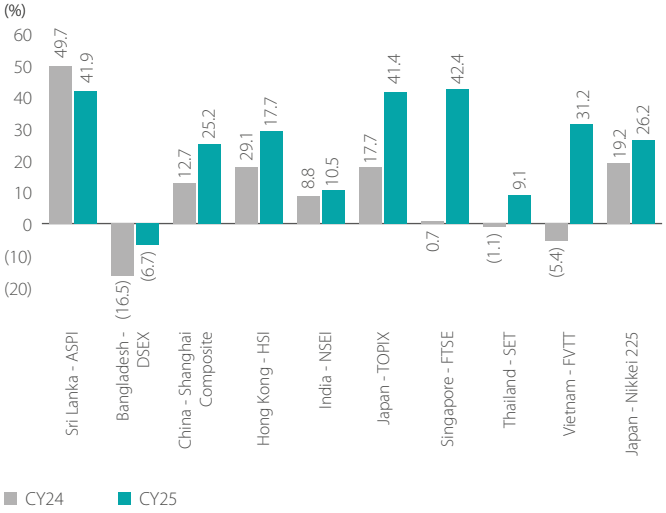
Political stability provided an additional boost to investor confidence, while improving earnings visibility supported a broad-based advance across sectors. During the third quarter of CY2025, the ASPI rose by ~21%, supported by favourable policy signals and improving operating conditions. The index also reached record highs during the period, adding more than Rs.0.8 trillion in market capitalisation. Banking, capital goods, energy, and consumer-related sectors were among the principal contributors to market momentum, reflecting the recovery in domestic demand and strengthening corporate balance sheets.

Market conditions became more volatile in the final quarter of CY2025, although the year still concluded with strong net gains. A temporary disruption occurred in mid-December following Cyclone Ditwah, which caused loss of lives, infrastructure damage and short term supply chain dislocations, resulting in a brief market correction, particularly across consumer staples, energy, and plantation counters. Nevertheless, the market recovered relatively quickly, supported by the Government's response, insurance-related settlements, and reconstruction activity, underscoring investor confidence in the improving domestic macroeconomic outlook.

The market's positive momentum extended into the financial year ended 31 March 2026. Total market capitalisation increased to Rs.7,522 billion from Rs.5,812 billion in the prior year, while the ASPI closed at 21,080 points compared with 15,948 points as at 31 March 2025. Average daily turnover rose to Rs.5.20 billion [2024/25: Rs.2.23 billion], supported by higher participation from both retail and institutional investors, improved digital trading access, and strengthening investor confidence amid stabilising macroeconomic conditions. Market valuations remained moderate, with the price-to-earnings ratio easing to 8.7 times from 9.0 times in the previous year, indicating that the market's re-rating was supported by earnings growth rather than excessive valuation expansion. Equity capital formation also continued through the Colombo Stock Exchange, with two initial public offerings raising a combined Rs.1.10 billion during the year.

31 March	Value		
	2025/26	2024/25	%
MSCI			
All Country World Index	905.00	827.15	9
All Country World Index excluding US	401.03	322.41	24
World (23 Developed markets)	4,258.31	3,628.64	17
US	6,218.85	5,346.31	16
Europe	2,554.12	2,200.34	16
Europe, Australasia and Far East	2,838.61	2,400.82	18
Emerging Markets	1,397.20	1,101.40	27
Frontier Markets	1,446.56	574.71	152
Peer			
SENSEX	71,947.55	77,414.92	(7)
JKSE	7,048.22	6,510.62	8
STI	4,984.17	3,972.43	25
KLSE	1,680.52	1,513.65	11
Local			
ASPI	21,080.33	16,478.67	28
S&P SL20	5,904.10	4,734.72	25

Regional Market Performance



Source: Mondrian Investment Partners, 2025 Year-end Emerging Markets Review and Outlook

Key Regulatory Highlights for the Year - Sri Lankan Equity Market

- Effective June 2025, the CSE shortened the equity settlement cycle from T+2 to T+1, aligning further with global standards to boost liquidity and minimise counterparty risk.
- In October 2025, the CSE refined its Listing Rules for high-yield corporate debt, expanding the definition of 'Qualified Investors', eligibility, and disclosures to attract more issuers.
- In April 2026, the Securities and Exchange Commission (SEC) strengthened its disciplinary framework, introducing advanced sanctions, including fines and suspensions, to reinforce market integrity. Concurrently, the CSE progressed the rollout of its central counterparty (CCP) system rollout, aimed at mitigating settlement risks through its role as an intermediary in market transactions.
- The CSE expanded its listing framework for green, social, sustainability, and sustainability-linked (GSS+) bonds, broadening from prior categories to support diverse thematic financing for environmental and social initiatives.
- Regulatory amendments permitted Sri Lankan entities to issue foreign currency-denominated debt, subject to a minimum threshold of 50% foreign revenue (with at least USD 5 million generated over three years) thereby facilitating greater access to international capital markets.
- The CSE implemented a new real-time surveillance system, in partnership with Nasdaq, alongside risk-based supervisory tools to enhance market monitoring and strengthen regulatory oversight.
- Mandated the top 100 listed companies by market capitalisation to commence a phased adoption of SLFRS S1 and S2 sustainability disclosure standards, reinforcing ESG transparency, alongside the rollout of XBRL-based reporting for listed entities.

Refer the Corporate Governance Commentary for CSE disclosures and continuous listing requirements impacting the Company – page 351.

Looking ahead, investor sentiment remains cautiously optimistic, supported by sustained macroeconomic stability and continued policy continuity. While downside risks remain, including elevated global geopolitical tensions, trade policy uncertainty, and potential weather-related disruptions, the medium term outlook for the Sri Lankan equity market remains constructive. Continued progress under the IMF programme, relatively stable domestic interest rates, improving earnings visibility, and the favourable tax treatment of equities relative to fixed-income instruments are expected to remain supportive of market performance.

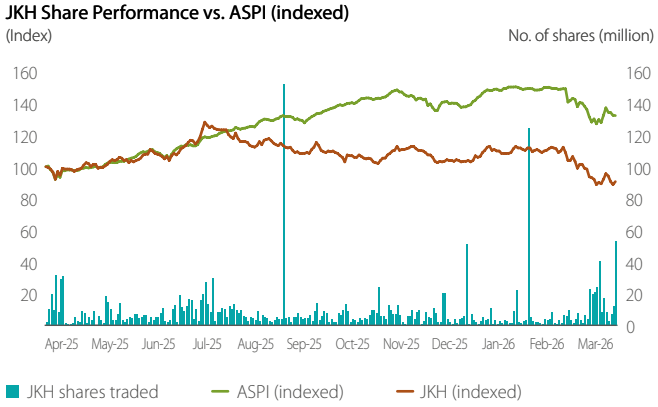
Refer the Outlook and Risks section for a detailed discussion – page 137.

"Notwithstanding the Group's strong underlying performance, the decline in the Company's share price in March 2026 was broadly in line with movements in the ASPI, reflecting wider market weakness amid geopolitical developments in the Middle East."

JKH SHARE PERFORMANCE VS ASPI

The JKH share decreased by 8.9% to Rs.18.40 as at 31 March 2026 from Rs.20.20 on 31 March 2025.

JKH Share Performance vs. ASPI (indexed)



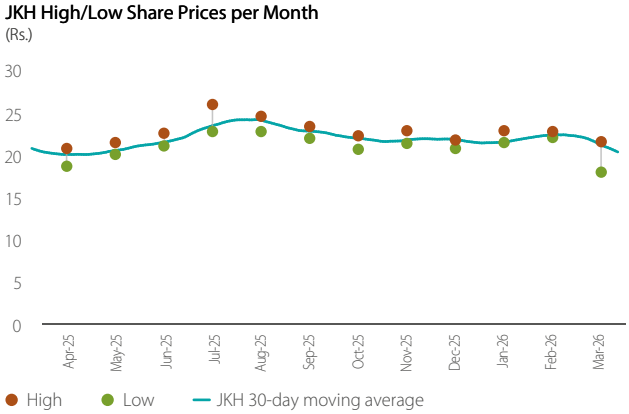
As illustrated in the graph above, 237,369,636 shares and 194,438,533 shares each representing ~0.8% of the number of shares in issue of the Company were recorded as traded on 1 September 2025 and 5 February 2026, respectively.

SHARE INFORMATION OF THE COMPANY

Market Information on the Ordinary Shares of the Company

	Q4	Q3	Q2	Q1	2025/26	2024/25
Share Information (Rs.)						
High	23.40	23.00	26.10	22.80	26.10	24.50
Low	17.80	20.50	21.80	18.30	17.80	15.90
Close	18.40	21.70	22.20	22.60	18.40	20.20
Dividends paid per share	0.10	0.10	-	0.10	0.30	0.15
Trading Statistics						
Number of transactions	59,435	54,901	75,916	37,586	227,838	125,332
Number of shares traded ('000)	841,173	671,448	984,635	673,117	3,170,373	1,804,749
Value of all shares traded (Rs.million)	17,242	14,433	23,323	13,895	68,892	61,073
Average daily turnover (Rs.million)	292	237	370	58	286	261
Percentage of total market turnover (%)	5.1	4.4	5.3	6.1	5.2	8.8
Market capitalisation (Rs.million)	325,667	383,837	392,357	399,106	325,667	356,018
Percentage of total market capitalisation (%)	4.3	4.8	5.4	6.6	4.3	6.1

JKH High/Low Share Prices per Month



JKH Beta

The beta of the JKH share as of 31 March 2026 stood at 0.28. The beta is calculated based on the daily JKH share movements against movements of the ASPI for the five-year period commencing 1 April 2021 to 31 March 2026. The compound annual growth rate (CAGR) of the JKH share over the five-year period stood at 3%, compared to that of the market, which stood at 18% for the same period.

SHARE INFORMATION

ISSUED SHARE CAPITAL

The number of shares in issue by the Company increased marginally from 17,624,630,203 shares as at 31 March 2025 to 17,699,275,116 shares as at 31 March 2026. The increase is due to the exercise of employee share options plans (ESOPs). Further details of the Company's ESOPs are found in the ensuing section of this discussion.

Rights Issue 2024 – Completion of Use of Proceeds

As previously disclosed, during 2024/25 the Company undertook a Rights Issue amounting to Rs.24.04 billion, followed by a share sub-division. As set out in the Circular to shareholders, the proceeds were designated to support the project funding requirements of Waterfront Properties (Private) Limited (WPL), a subsidiary of John Keells Holdings PLC and the developer of the City of Dreams Sri Lanka integrated resort (CODSL). As at 31 March 2026, the full proceeds of the Rights Issue have been utilised in line with the stated objectives in the Circular, as approved by shareholders and the CSE.

PUBLIC HOLDING

As at 31 March 2026, the public shareholding percentage stood at 72.37%, compared to 74.93% as at 31 March 2025.

HWIC Asia Fund (HWIC), the largest shareholder of the Company, is classified as a related party of the Company in terms of the Sri Lanka Accounting Standards and eliminated from being considered a part of the Company's public holding.

Share Capital

Year ended 31 March	Number of Shares in Issue (million)
2012	844.12
2013	857.24
2014	990.29
2015	997.49
2016	1,189.40
2017	1,387.47
2018	1,387.53
2019	1,318.17
2020	1,318.55
2021	1,319.66
2022	1,384.92
2023	1,384.92
2024	1,498.82
2025*	17,624.63
2026	17,699.28

** Note: The share capital for 2024/25 reflects the Sub-division of shares in the ratio of one (1) existing ordinary share into ten (10) ordinary shares.*

Composition of Shareholders

	31 March 2026			31 March 2025		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Non-Resident						
Institutions	60	7,397,125,471	42	69	7,708,284,180	44
Individuals*	314	106,378,228	1	253	120,180,212	1
Total Non-Resident	374	7,503,503,699	42	322	7,828,464,392	44
Resident						
Institutions	1,073	5,718,437,925	32	975	5,529,851,676	31
Individuals*	39,516	4,477,333,492	25	22,984	4,266,314,135	24
Total Resident	40,589	10,195,771,417	58	23,959	9,796,165,811	56
Total	40,963	17,699,275,116	100	24,281	17,624,630,203	100

**Includes directors, spouses and connected parties*

Distribution of Shareholders

	31 March 2026				31 March 2025			
	Number of Shareholders	%	Number of Shares Held	%	Number of Shareholders	%	Number of Shares Held	%
Less than or equal to 1,000	18,152	44	6,392,107	-	9,424	39	3,129,839	-
1,001 to 10,000	13,815	34	53,388,311	-	7,962	33	31,771,768	-
10,001 to 100,000	6,803	17	225,684,102	1	4,955	20	170,703,985	1
100,001 to 1,000,000	1,739	4	512,611,446	3	1,512	6	456,937,132	3
Over 1,000,001	454	1	16,901,199,150	96	428	2	16,962,087,479	96
Total	40,963	100	17,699,275,116	100	24,281	100	17,624,630,203	100

Refer Corporate Governance Commentary section for further details on Options Available to Executive Directors under the Employee Share Option Scheme, Director's Shareholding and Executive Director's Shareholding in Group Companies – pages 302.

Top Twenty Shareholders of the Company

	31 March 2026		31 March 2025	
	Number of Shares	%	Number of Shares	%
HWIC Asia Fund	4,700,070,872	26.56	4,281,537,680	24.29
Melstacorp PLC	1,418,088,220	8.01	1,418,088,220	8.05
Mr S E Captain	1,376,878,929	7.78	1,371,885,804	7.78
Polypak Secco Limited	727,582,489	4.11	464,943,792	2.64
CIC Holdings PLC	658,664,950	3.72	693,664,950	3.94
Asian Development Bank	650,420,060	3.67	650,420,060	3.69
Paints & General Industries Limited	541,057,001	3.06	739,155,249	4.19
Schroder International Selection Fund	359,908,419	2.03	373,689,464	2.12
Amana Bank PLC / CIC Holdings PLC	244,205,050	1.38	209,205,050	1.19
Mrs Swyrie Balendra	199,161,075	1.13	178,161,075	1.01
Hostplus Pooled Superannuation Trust	180,413,987	1.02	190,870,817	1.08
Chemanex PLC A/c No. 1	176,872,817	1.00	153,400,000	0.87
Link Natural Products (Private) Limited	176,083,566	0.99	76,816,263	0.44
Mrs C S De Fonseka	176,069,910	0.99	176,069,910	1.00
Emrevival Master Fund LP	175,813,520	0.99	175,813,520	1.00
Mrs J Ambani	169,206,238	0.96	137,986,929	0.78
Ms L A Captain	158,622,964	0.90	152,313,651	0.86
Allan Gray Frontier Markets Equity Fund Limited	153,263,383	0.87	105,481,750	0.60
Mrs S A J De Fonseka	147,547,300	0.83	151,547,300	0.86
Aberdeen Asia Focus PLC	146,629,603	0.83	240,801,630	1.37

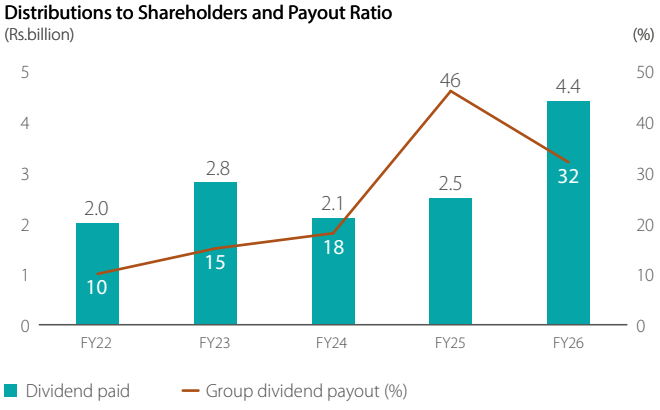
DIVIDEND

During the year under review, the Company paid two interim dividends each amounting to Rs.0.10 per share, in November 2025 and February 2026.

Accordingly, the final dividend for 2025/26 has been declared at Rs.0.10 per share, to be paid on or before 25 June 2026. On this basis, the total dividend declared for 2025/26 is Rs.0.30 per share (2024/25: Rs.0.15 per share). The Company dividend payout ratio for 2025/26 is 58% with a total dividend outlay of Rs.4.42 billion [2024/25: Rs.2.46 billion]. The Group payout ratio was at 32% during the year [2024/25:46%].

The Group remains committed to a dividend policy that aligns with growth in profits and returns on investments, while ensuring sufficient reserves are retained to support business continuity and investment pipeline.

Distributions to Shareholders and Payout Ratio



Year ended 31 March	Dividend Declared Per Share (Rs.)	Dividends (Rs.000)
2013	3.50	2,982,421
2014	3.50	3,266,718
2015	3.50	3,475,947
2016	7.00	8,037,790
2017	5.50	7,280,497
2018	6.00	8,324,983
2019	5.00	8,186,450
2020	2.50	4,614,133
2021	2.00	1,978,317
2022	1.50	2,012,193
2023	2.00	2,769,833
2024	1.50*	2,080,473
2025	0.15	2,457,083
2026	0.25	4,419,629

**Note: The dividend for 2024/25 has been adjusted to reflect the Sub-division of shares in the ratio of one (1) existing ordinary share into ten (10) ordinary shares.*

SHARE INFORMATION

EARNINGS PER SHARE

The fully diluted earnings per share (EPS) for the financial year increased by 142% to Rs.0.77 per share [2024/25: Rs.0.32] primarily due to the increase in profit attributable to equity holders. The increase in the diluted weighted average number of shares is due to the exercise of employee share option plan (ESOPs).

On a recurring earnings basis, the Group's diluted earnings per share (EPS) improved significantly to Rs.0.75 in 2025/26, compared to Rs.0.31 in the previous financial year, reflecting a 141% increase. The prior year's performance was primarily impacted by City of Dreams Sri Lanka (CODSL), where substantial costs were incurred in relation to pre-opening activities, operational ramp-up, and the commencement of operations of the Cinnamon Life hotel from October 2024.

The improvement in EPS during the year under review was driven by the progressive ramp-up of CODSL operations, alongside a strong contribution from John Keells CG Auto (JKCG) and an overall improvement in performance across the Group's core business segments.

The recurring diluted EPS, excluding CODSL, stood at Rs.1.54 per share [2024/25: Rs.0.80].

Refer Financial and Manufactured Capital for further details – page 51.

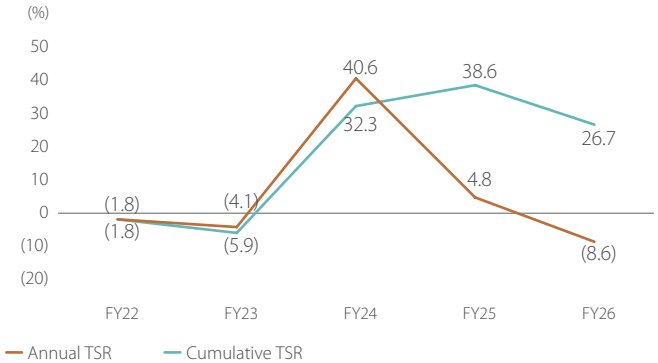
Price-to-Earnings Ratio (P/E)

	2025/26	2024/25
JKH	0.8	0.3
CSE	11.3	8.3
SENSEX	21.1	21.5
KLSE	15.9	17.3
JCI	13.9	12.0
STI	13.2	12.2

TOTAL SHAREHOLDER RETURN

The total shareholder return (TSR) of the JKH share stood at (8.6%) for the period under review, while the total return index of the S&P SL20 recorded a return of 23.9%. On a cumulative basis, over a five-year holding period, the share inclusive of dividends, posted a total return of 26.7%.

Total Shareholder Return

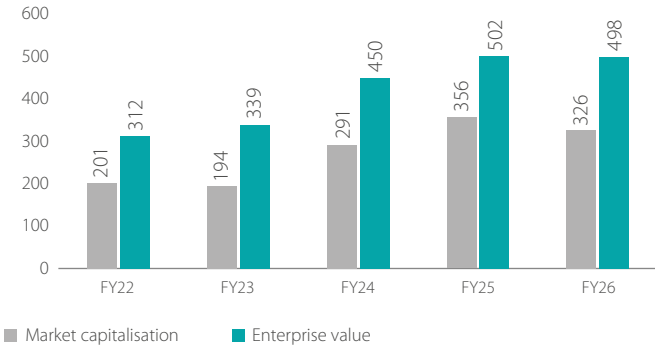


MARKET CAPITALISATION AND ENTERPRISE VALUE

The Company's market capitalisation decreased by 9% to Rs.325.67 billion as at 31 March 2026 [2024/25: Rs.356.02 billion], primarily reflecting a decrease in the share price in line with broader market performance. This was influenced by subdued investor sentiment amidst the adverse impact of the Middle Eastern conflict on market conditions. As at financial year end, JKH accounted for 4.3% of the total market capitalisation of the CSE [2024/25: 6.1%].

Market Capitalisation and Enterprise Value

(Rs.billion)



Summary Indicators

		2025/26	2024/25	2023/24
Market capitalisation	(Rs.billion)	325.7	356.0	290.8
Enterprise value	(Rs.billion)	497.8	502.3	450.0
EV/EBITDA	(times)	6.2	11.0	11.4
Diluted EPS	(Rs.)	0.8	0.3	0.7
Diluted PER	(times)	23.9	63.6	29.2
Price to book	(times)	0.8	0.9	9.6
Price/cash earnings	(times)	14.8	49.0	17.7
Dividend yield	(%)	1.4	3.0	7.4
Group dividend payout ratio	(%)	32.4	46.1	18.5
Net assets per share	(Rs.)	23.4	22.6	20.3
TSR	(%)	(8.6)	4.5	40.6

EMPLOYEE SHARE OPTION PLAN (ESOP)

Share options of the Company are granted to eligible executives of the Group, generally with more than 12 months of continuous service.

- The exercise price of the share options is determined based on the 30-day volume weighted average market price (VWAP) of the underlying shares on the date of grant.
- The share options vest over a period of four years and are dependent on a performance criterion and a service criterion.
- Upon vesting and subsequent exercise, new ordinary shares are issued, which contributes to the variation in the Group's issued share capital over time.
- The ESOPs serves as a key component of the Group's long term incentive framework, aimed at aligning employee interests with shareholder value creation, supporting talent retention, and rewarding sustained performance.

Employee Share Option Plan as at 31 March 2026

	Date of Grant	Employee Category	Shares Granted	Expiry Date	Option Grant Price (Rs.)	Shares Adjusted[2]	Exercised	Cancelled[2]		Expired	Outstanding			
								Due to Resignations	Due to Performance		Total	Vested	Unvested	End/ Current Price[2] (Rs.)
PLAN 10	19.10.2020		6,557,100	30.06.2025	132.86	48,947,876	46,477,496	435,200	7,500	2,027,680	-			13.26
Award 2		GEC[1]	2,230,000			22,043,142	22,043,142	-	-	-	-			
		Other Executives	4,327,100			26,904,734	24,434,354	435,200	7,500	2,027,680	-			
PLAN 10	16.08.2021		6,585,800	30.06.2026	136.64	58,670,669	25,433,052	698,911	12,925		32,525,781	32,525,781	-	13.64
Award 3		GEC[1]	2,205,000			25,510,156	13,276,592	-	-		12,233,564	12,233,564	-	
		Other Executives	4,380,800			33,160,513	12,156,460	698,911	12,925		20,292,217	20,292,217	-	
PLAN 11	26.07.2022		6,906,600	30.06.2027	121.91	63,029,545	12,683,745	861,664	8,750		49,475,386	35,995,334	13,480,052	12.17
Award 1		GEC[1]	2,115,000			26,281,979	5,878,864	-	-		20,403,115	15,433,898	4,969,217	
		Other Executives	4,791,600			36,747,566	6,804,881	861,664	8,750		29,072,271	20,561,436	8,510,835	
PLAN 11	26.01.2023		1,369,700	25.01.2028	137.86	11,972,438	1,625,117	796,388	263,848		9,287,085	6,571,757	2,715,328	13.76
Award 2		Other Executives	1,369,700			11,972,438	1,625,117	796,388	263,848		9,287,085	6,571,757	2,715,328	
PLAN 11	12.07.2023		5,535,665	30.06.2028	145.59	54,342,823	6,152,090	904,476	-		47,286,257	24,344,912	22,941,345	14.53
Award 2.1		GEC[1]	2,183,200			21,883,604	3,135,394	-	-		18,748,210	10,368,456	8,379,754	
		Other Executives	3,352,465			32,459,219	3,016,696	904,476	-		28,538,047	13,976,456	14,561,591	
PLAN 11	19.07.2024		7,494,020	30.06.2029	200.74	75,117,282	678,350	1,903,233	100,236		72,435,463	23,055,145	49,380,318	20.03
Award 3		GEC[1]	2,736,500			27,429,686	-	-	-		27,429,686	11,698,829	15,730,857	
		Other Executives	4,757,520			47,687,596	678,350	1,903,233	100,236		45,005,777	11,356,316	33,649,461	
PLAN 12	03.07.2025		88,014,960	30.06.2030	21.80	88,014,960	-	708,100	-		87,306,860	8,296,000	79,010,860	21.80
Award 1		GEC[1]	35,249,000			35,249,000	-	-	-		35,249,000	8,296,000	26,953,000	
		Other Executives	52,765,960			52,765,960		708,100			52,057,860	-	52,057,860	
Total						400,095,593	93,049,850	6,307,972	393,259	2,027,680	298,316,832	130,788,929	167,527,903	

1 GEC comprises of the Executive Directors and Presidents.
2 Adjusted for Bonus Issues/Right Issues/Sub-divisions.
3 Plan 10 (Award 3) -100% of the options had vested as at 31 March 2026.
4 Plan 11 (Award 1) - 75% of the options had vested as at 31 March 2026.
5 Plan 11 (Award 2) - 75% of the options had vested as at 31 March 2026.
6 Plan 11 (Award 2.1) - 50% of the options had vested as at 31 March 2026.
7 Plan 11 (Award 3) - 25% of the options had vested as at 31 March 2026.
8 Plan 12 (Award 1) - None of the options had vested as at 31 March 2026 with the exception of retirees.

SHARE INFORMATION

2025/26 Financial Calendar

	Date
Three months ended 30 June 2025	On or before 30 July, 2025
Six months ended 30 September 2025	On or before 4 November, 2025
First interim dividend paid on	3 December, 2025
Nine months ended 31 December 2025	On or before 28 January, 2026
Second interim dividend paid on	26 February, 2026
Annual Report 2025/26	On or before 26 May, 2026
Investor Relations Webinar	27 May, 2026
Final dividend proposed to be paid on	On or before 24 June, 2026
47th Annual General Meeting	On or before 26 June, 2026

2026/27 Financial Calendar

	Date
Three months ended 30 June 2026	On or before 28 July 2026
Six months ended 30 September 2026	On or before 3 November 2026
Nine months ended 31 December 2026	On or before 27 January 2027
Annual Report 2026/27	On or before 26 May 2027
48th Annual General Meeting	On or before 25 June 2027

Note: The Investor Relations Webinar will be held within 2 days of the interim release date and Annual Report release date, as applicable

CONNECTING THE NUMBERS

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY GROUP REVIEW

167 Transportation • **183** Consumer Foods • **203** Retail • **223** Leisure • **246** Property
260 Financial Services • **277** Other, including Information Technology and Plantation Services

The Industry Group Review of the Management Discussion and Analysis (MD&A) segment consists of the following sections.

⊕ Industry Group Review

A discussion on the each of the following industry groups:

- Transportation – *Page 167*
- Consumer Foods – *Page 183*
- Retail – *Page 203*
- Leisure – *Page 223*
- Property – *Page 246*
- Financial Services – *Page 260*
- Other, including Information Technology and Plantation Services – *Page 277*

Each of the above reviews shall comprise of:

⊕ 3-year Performance KPIs

Presents the key performance indicators of the industry group over the past three years, under each form of Capital, as applicable, to illustrate the progression or deterioration of value.

⊕ Value Chain

Illustrates the end-to-end value creation process of the industry group, highlighting key activities across sourcing, operations, and delivery.

⊕ External Environment and Operational Review

Explores the key external environmental variables specific to the industry group, delving into their direct influence on the industry group's operational dynamics during the year.

⊕ Financial Performance Review

Entails a comprehensive discussion on the financial performances of the industry group, with particular emphasis on the performance and capital structure.

⊕ Non-Financial Performance Review

An outline of the Group's approach to managing key sustainability impact topics, including financially material sustainability- and climate-related risks and opportunities, along with the strategies adopted to address them.

⊕ Outlook and Risks

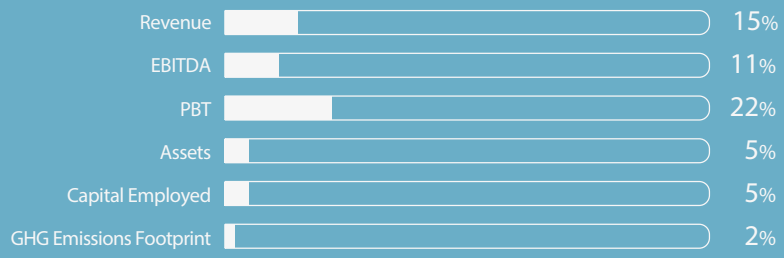
Highlights the key risks, opportunities and trends applicable for the industry. Also, entails a discussion on the industry group's strategy for navigating through the challenges arising from operating environment, as well as the future trajectory of the industry group.

TRANSPORTATION

Business Model

The Transportation industry group comprises a diversified portfolio of maritime, logistics, aviation and travel-related businesses, operating through a combination of subsidiaries, equity accounted investees and strategic joint ventures with international partners.

Contribution to the John Keells Group





Industry Group Structure

Ports and Shipping

- Operation of two container terminals at the Port of Colombo (POC) as public-private partnerships on a build, operate and transfer basis, through the Colombo West International Terminal (CWIT) and South Asia Gateway Terminals (SAGT).
- Associate stake in Maersk Lanka, the agents in Sri Lanka for the Maersk Line.
- Shipping agency and maritime services through Inchcape Mackinnon Mackenzie Shipping (Private) Limited (IMMS), a joint venture with Inchcape Shipping Services.

Transportation

- Marine bunkering and related services under Lanka Marine Services (LMS).
- Third party logistics (3PL), warehousing and trucking through John Keells Logistics (JKLL).
- Fleet management services provided at the POC through Mackinnon Mackenzie and Company of Ceylon (MMC).
- DHL air express in Sri Lanka, a joint venture with Deutsche Post.
- Representation of multiple on-line and off-line airlines as general sales agents for both passenger and cargo services through Mack Air (MAL) in Sri Lanka.
- Travel agency and outbound travel-related services through Mackinnons Travel (MTL).
- Domestic scheduled and charter flight operations under the brand, Cinnamon Air.

Refer the Group Directory section for the equity holdings of the businesses – page 582.

INDUSTRY GROUP REVIEW

TRANSPORTATION

		2025/26	2024/25	2023/24
Operational Highlights				
SAGT volumes	TEUs '000s	1,840	2,068	1,818
Domestic:Transshipment volume mix		11:89	12:88	10:90
CWIT volumes	TEUs '000s	1,063	N/A	N/A
Domestic:Transshipment volume mix		8:92	N/A	N/A
Port of Colombo volumes	TEUs '000s	8,519	7,719	7,339
LMS volume growth	%	29	15	2
Warehouse space under management	sq.ft '000	283	240	370
Financial and Manufactured Capital				
Revenue [1]	Rs.million	85,014	73,227	68,916
EBITDA	Rs.million	8,998	7,318	8,773
EBIT	Rs.million	8,606	6,989	8,475
PBT	Rs.million	8,171	6,364	7,604
PAT	Rs.million	6,963	6,126	7,470
Total assets	Rs.million	46,096	29,736	31,280
Total equity	Rs.million	18,369	16,057	16,260
Total debt [2]	Rs.million	14,359	8,095	6,808
Capital employed [3]	Rs.million	33,137	24,411	23,413
Natural Capital				
Energy consumption	GJ '000	44.67	42.96	38.39
Energy consumption per Rs.million of revenue	GJ/ Rs.million	0.72	0.79	0.76
GHG emissions footprint	tCO_2e	3,556	3,414	3,099
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	0.06	0.06	0.06
Water withdrawal	Cubic meters (m^3)	14,776	14,892	11,665
Water withdrawal Rs.million of revenue	m^3/ Rs.million	0.24	0.27	0.23
Volume of hazardous waste generated	kg	134,110	76,920	83,250
Volume of non-hazardous waste generated	kg	84,288	95,031	103,508
Waste generated per Rs.million of revenue	kg/ Rs.million	3.54	3.16	3.68
Human Capital				
Total workforce	No.	865	572	581
Total employees	No.	730	499	510
Total contractor's personnel	No.	135	73	71
EBIT per employee	Rs.million	11.79	14.01	16.62
Average training per employee	Hours	7.51	25.52	20.75
Total attrition	%	71.11	75.25	42.40
Female employees	%	14	18	19
Total number of injuries	No.	3	2	1
Social and Relationship Capital				
Community services and infrastructure projects [4]	Rs.'000	5,741	10,655	11,075

1. *Revenue is inclusive of the Group's share of equity accounted investees.*
2. *Excludes lease liabilities.*
3. *For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.*
4. *Only the contribution to John Keells Foundation.*

Value Chain

The value chain of the industry group spans across integrated supply chain management, warehousing and cargo solutions, fleet and port related services, marine fuel importation and bunkering, travel and airline representation and general sales agency operations for international airlines. These interconnected activities extend across upstream procurement and compliance, multimodal logistics, fuel handling and quality management, customer service delivery to downstream administration and market facing functions as illustrated below.

The value chain of the Bunkering business includes the operations of LMS, while the value chain of the Logistics businesses is inclusive of JKLL operating in third-party logistics services, and MMC engaging in fleet and operations management for port-related services. The value chain of the Airlines and Other businesses is inclusive of MAL, operating as a general sales agents for airlines in Sri Lanka, and MTL, an International Air Transport Association (IATA) accredited travel agent and travel-related services provider.

	Bunkering	Logistics	Airlines and Other
Upstream	» Fuel, alternate fuel, lubricants and cargo suppliers, ship owners, brokers and suppliers and shipping agencies » Investors, providers of capital, regulators, clearing agents and insurance agents » Barge and vessel crews and contracted manpower providers » Common user facility sludge and waste removal contractors	» Design and layout contractors » Investors, regulators, terminal operators and Ports Authority » Manpower providers » Warehouse providers, logistics providers and waste removal contractors	» Airlines, other suppliers, hotel chains, insurers, transportation and other ground partners » Embassies and visa processing partners » Employees
Midstream	» Procurement process » Monitoring tanker loading and sailing operations » Storage and inventory management » Facilities management, engineering and maintenance of barges » Waste disposal » General administration, logistics and compliance management	» Demand forecasting and capacity planning » Workforce deployment planning and rostering » Health and safety management » Fleet readiness planning including logistics, intra-terminal and inter-terminal trucking » Facilities and warehouse management including IT systems and other operational systems » Compliance management	» Ticketing, cargo handling and documentation » Itinerary execution and supplier coordination » Corporate client/ vendor airline onboarding/ planning » Visa and travel documentation support » Customer support, assistance and feedback management » Administration, digital and data management
Downstream	» Customers » Tank truck providers	» Customers » Transport partners	» Customers » Partners

Macroeconomic Update

» According to the United Nations Conference on Trade and Development (UNCTAD),
  - Global trade in goods and services recorded a growth of 7% in CY2025 compared to a growth of 3% in CY2024. Growth was primarily driven by an 8% increase in services trade, whilst trade in goods increased by 7%. Growth in global trade in goods and services was led by developing economies, with imports and exports increasing annually, driven mainly by East Asia and Africa.
  - The trade growth in CY2025 continued into early-CY2026, driven by the expansion in goods trade, though signs of a slowdown in services emerged. Global trade growth is expected to slow later in CY2026, weighed down by persistent trade tensions and rising trade costs.

» South Asia remained the fastest-growing region globally in CY2025, with regional real gross domestic product (GDP) expanding by ~7%, supported by resilient domestic demand, easing inflation and recovery in services-led sectors.

» India's real GDP growth remained robust at ~8% in CY2025, underpinned by strong public infrastructure spending, steady private consumption and continued expansion in the services sector.

Source: International Monetary Fund World Economic Outlook (April 2026).

» Cyclone Ditwah impact: While the cyclone temporarily disrupted Sri Lanka's transportation sector, resulting in a brief halt of port operations, logistics delays, slower bunkering operations, and adjustments to domestic airline schedules and cancellations, the industry demonstrated resilience through swift recovery efforts, gradual resumption of port and cargo activities, and coordinated responses across maritime and aviation stakeholders to restore supply chain stability and operational efficiency.

Key Policy and Regulatory Highlights

Annual National Budget 2026 fiscal proposals:

» Allocation of ~Rs.342 billion for overall road development and key road networks. This includes:
  - The Central Expressway phase 1 and phase 3.
  - Katugastota-Galagedara Road Section.
  - Kurunegala-Dambulla Proposed Expressway.
  - Ruwanpura Expressway.
  - Feasibility study on the construction of the link between the Port Access Elevated Highway and the Marine Drive Extension (Phase II).

» The national minimum wage was increased to Rs.27,000 per month (Rs.1,080 daily) effective 1 April 2025, with a further rise to Rs.30,000 per month (Rs.1,200 daily) from 1 January 2026, across all industries and services.

Ports and Shipping

» The POC handled 8.52 million twenty-foot equivalent units (TEUs) in 2025/26, a 10% increase in TEUs handled against the previous year [2024/25: increase of 5%].

» The POC recorded a historic high of ~8.30 million TEUs in CY2025, underscoring its role as a major transshipment hub amid ongoing trade network recalibration.

Port of Colombo	2025/26	2024/25
Domestic volumes (TEUs)	Growth of 10%	Growth of 17%
Transshipment volumes (TEUs)	Growth of 11%	Growth of 3%
Domestic: Transshipment mix	16:84	16:84
Overall POC capacity utilisation	~85%	~96%

» Capacity enhancements at the POC:
  - Construction works pertaining to the first phase of the WCT-1 at the POC was completed in February 2025, and commercial operations commenced in April 2025. Construction of the full terminal is progressing marginally ahead of schedule from the originally anticipated target of end of CY2026.
  - The construction of the second phase of East Container Terminal (ECT) continued during CY2025. Extending across 75 hectares and a quay length of 1,320 meters, featuring 12 gantry cranes and 40-yard cranes. The full project is expected to be completed by end-CY2026 as per Sri Lanka Ports Authority.
  - Upon the completion of construction of both terminals, the estimated annual capacity of the POC is expected to increase by ~6.5 million TEUs to ~14 million TEUs.
  - Development of the proposed West Container Terminal II and the first container terminal in the Colombo North Port, which are planned to be operational by CY2030 and CY2034, respectively, are part of the near term project pipeline anticipated to be initiated by the Government.

Bunkering

» Brent crude prices were highly volatile from April 2025 to February 2026, ranging between a high of USD 79 per barrel and a low of USD 60 per barrel, before surging sharply to peak at USD 127 per barrel in March 2026 amid escalating tension in the Middle East.

» Local suppliers continued importing low sulphur fuel oil (LSFO) and high sulphur fuel oil (HSFO) cargo during FY2025/26, resulting in a temporary oversupply in the Sri Lankan bunker market during the first half of the year. However, in the second half of the financial year increased demand driven by limited cargo availability in India and the escalation of conflict in the Middle East absorbed the additional volumes in the market. As a result, import levels were sufficient to meet the heighten demand, and the oversupply situation observed in the first half did not persist.

Airlines and Other

» Global air passenger traffic in CY2025 was ~5% above CY2024, according to data from the IATA, and forecast to grow ~5% in CY2026. Global airlines continue to face significant supply chain disruptions, with aircraft and engine delivery delays, parts shortages and bottlenecks.

» 33-36 international airlines and 6-8 domestic airlines were in operation in Sri Lanka as at the end of 2025/26.

Source: Company Research.

INDUSTRY GROUP REVIEW

TRANSPORTATION

Ports and Shipping

South Asia Gateway Terminal

During the year under review, the Group's Ports and Shipping business, SAGT, recorded throughput of 1.8 million TEUs [2024/25: 2.1 million TEUs]. While performance in the first half of the year was encouraging, volumes moderated in the second half of the year due to the scheduled closure of one berth to facilitate a crane rail replacement, which temporarily reduced handling capacity. With the completion of these enhancement works, operations normalised from the start of CY2026 and were fully restored by early Q1 2026/27, positioning the terminal for improved momentum. Notwithstanding the short term impact on overall volume growth, the business demonstrated resilience in performance during the year.

During the year, SAGT completed the implementation of gate automation and the installation of optical character recognition (OCR) scanners at its gates. These initiatives are expected to significantly reduce processing times, enhance accuracy, and improve overall productivity. In addition, SAGT enhanced its operational efficiency through targeted training programmes aimed at strengthening employee capabilities.

Colombo West International Terminal

CWIT completed its first full year of operations in 2025/26, delivering performance significantly ahead of plan. The first phase of the terminal adds up to 1.6 million TEUs of incremental capacity to the POC once scaled up, and is designed to accommodate ultra large container vessels (ULCVs), materially enhancing the port's operational flexibility and throughput capacity.

CWIT recorded strong quarter-on-quarter growth in throughput during the year, supported by an improving volume mix, which translated to better than planned profitability. CWIT achieved a positive profit after tax (PAT) for the year under review, ahead of expectations, despite recognising depreciation relating to phase 1.

CWIT handled 1.1 million TEUs, with a record throughput of ~135,000 TEUs in the month of March 2026, a notable achievement for an automated terminal in its first year of operation. The terminal has already reached full utilisation of phase 1 capacity based on its latest monthly run-rate, despite being within its first year of operations. The domestic to transshipment mix improved from October 2025 and was at 8:92 for the year under review.

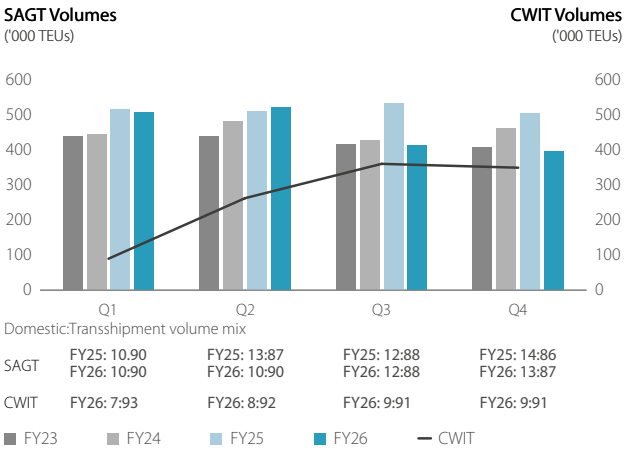
The addition of CWIT capacity has enabled the Port of Colombo to increase overall volumes, reflecting capacity-led growth supported by strong demand dynamics, resulting in the rapid absorption of new capacity.

The full construction of the terminal is progressing marginally ahead of schedule from the originally anticipated target of end-CY2026.

As of 31 March 2026, the 1,400 metre quay wall was completed, which will facilitate the simultaneous berthing of three large vessels once the cranes and related equipment are installed. Automation of the gate systems is slated to be completed by Q2 2026/27, further enhancing operational efficiency. The equipment for phase 2 has been ordered, with deployment scheduled to begin from mid-CY2026.

The WCT-1 project has a total estimated cost of USD 800 million, financed through a debt-to-equity ratio of 70:30. JKH has invested USD 57 million with USD ~20 million to be invested of the equity commitment. Additionally, USD 322 million has been disbursed from the Shareholder Loan facility as at the end of the year.

Insights



SAGT Volume Growth (%)	Q1	Q2	Q3	Q4	2025/26	2024/25
Domestic	(2)	(26)	(23)	(29)	(21)	35
Transshipment	(2)	6	(23)	(20)	(10)	11
Total	(2)	2	(23)	(22)	(11)	14

- SAGT – Volume growth for Q3 and Q4 were impacted by the temporary closure of one of its berths to facilitate a crane rail replacement.
- CWIT – Strong quarter-on-quarter growth in volumes driven by absorption of increased capacity at the POC.



Colombo West International Terminal at the Port of Colombo.

Inchcape Mackinnon Mackenzie Shipping

During the financial year, IMMS operated both a freight forwarding division and a port agency business. Following a strategic portfolio review, management determined that the freight forwarding division was not aligned with Inchcape's core competencies or long term strategic objectives. Accordingly, the division was discontinued in October 2025 and subsequently wound down in an orderly and

controlled manner. This approach enabled the company to redeploy resources and management focus toward strengthening and expanding its core port agency operations.

Subsequent to this strategic realignment, the port agency business has delivered consistent and sustainable growth, with revenues increasing on a month-on-month basis. This positive performance has been driven by a higher volume of vessel calls and a continued increase in nominations generated through the global Inchcape network.

Maersk Lanka

Maersk continued to secure its position as one of the largest shipping lines calling at the POC. During the year under review, the business witnessed an increase in both export and import volumes on the back of increased throughput to the POC.

During the year, the business advanced a number of initiatives focused on operational efficiency, sustainability, and network optimisation. Fleet modernisation continued with the addition of dual fuel methanol vessels and the rollout of fuel efficiency retrofits across owned and selected chartered vessels, contributing to a further reduction in emissions intensity. The Gemini Cooperation with Hapag Lloyd was fully implemented, delivering anticipated cost efficiencies and improved schedule reliability.

Supply chain capabilities were strengthened through the integration of new logistics hubs in Europe, Africa, and the Middle East, while progress on decarbonisation included securing access to lower emission fuels and conducting fuel blend trials to meet varying customer requirements. Digitisation initiatives were also progressed through the deployment of artificial intelligence (AI) enabled robotics and automation to enhance productivity and inventory accuracy.

While the ongoing conflict in the Middle East led to a decline in volumes towards the latter part of the year, this was partially offset by an increase in freight rates.

Bunkering

The Bunkering business of the Group, LMS, recorded a strong performance during the year, supported by higher margins and volume growth of 29% [2024/25: growth of 15%].

Volumes were driven by increased activity at the POC and continued rerouting of shipping traffic via the Cape of Good Hope. Further, the narrowing price differential between Sri Lanka and India enhanced the competitiveness of the local bunkering market, attracting additional demand. In line with strengthening its competitive position, LMS undertook a strategic review of its product mix across the three fuel grades supplied. In terms of imports, LMS adopted a more deliberate and analytical approach to procurement, with a focus on improving availability and optimising margins.

The business achieved its highest ever quarterly volume during the fourth quarter of 2025/26, driven by a growth of 60%, alongside improved margins, largely driven by increased demand resulting from supply disruptions linked to developments in the Middle East.

LMS continued to retain its market leadership position both in the West Coast and the overall Sri Lankan market.

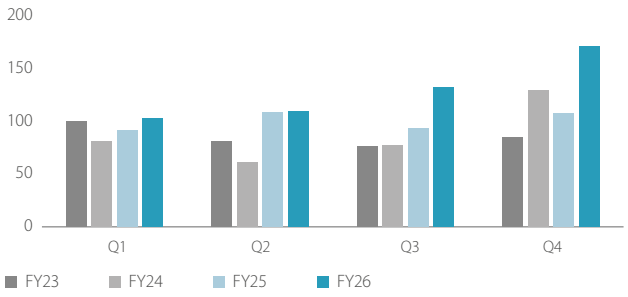
During the year, LMS commenced assessments to expand its storage and delivery capacity in response to existing constraints. The proposed expansion is expected to entail a capital investment and is expected to enable continued growth and strengthen the business's market position over the medium term.

Awards and Accolades

» Received the following at the 27th Presidential Export Awards 2024/25:
  - 'Best Performing Exporter in Emerging Markets'
  - 'Best Exporter in Marine & Offshore Services'

Insights

LMS Volumes
(Index: FY23 Q1 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2025/26	2024/25
LMS	13	1	43	60	29	15

» Volume growth in Q1 was driven by increased activity at the POC, continued rerouting of shipping traffic via the Cape of Good Hope and a narrowing price differential between Sri Lanka and India.

» Volume in Q2 was moderated by intensified competition in the local market.

» The business recorded improved volumes in Q3 through a strategic optimisation of its product mix between LSFO and HSFO.

» LMS achieved its highest ever quarterly volume in Q4, largely driven by increased demand resulting from supply disruptions linked to developments in the Middle East.



INDUSTRY GROUP REVIEW

TRANSPORTATION

In collaboration with the Group's data and advanced analytics arm, OCTAVE, LMS is evaluating a use case road map to enhance demand forecasting and market analysis to optimise cargo order sizes, reduce inventory costs, and improve margins. Initial preparatory work, which entailed the deployment of the requisite tech infrastructure and digitisation of required data sets, was completed and the development and piloting of the first use case is currently underway.

Given the volatility in global petroleum prices, LMS continued to implement risk mitigation measures, including expanding its supplier base and continuously assessing the optimal sourcing geographies to ensure supply security and cost efficiency. The company also maintained robust oversight of its customer portfolio, analysing the business transactions between the traders and vessel owners with the objective of maximising margins.

Logistics

The logistics arm of the Group, JKLL delivered an encouraging performance during the year under review. The warehousing vertical of the business recorded an improvement in utilisation, rising to an average of 97% from an average of 83% in the previous year. This higher utilisation contributed to enhanced margins and reflected the strong demand momentum across the customer base. In line with expected volume growth driven by increased consumption, expanding requirements from existing customers, and the successful onboarding of new customers, the business expanded its warehousing capacity by ~40% during the year.

The business's Warehouse Management System (WMS), recognised as one of the leading global platforms in warehouse automation, remains a core strategic investment. During the year, efforts were focused on accelerating system adoption across all customers and deepening utilisation of its full capabilities to maximise operational efficiency and returns. The WMS continues to serve as the backbone of the warehousing operations.

The Transportation vertical recorded stable growth, with total mileage increasing by ~7% compared to the prior financial year. The Transport Management System (TMS), implemented in the latter part of 2023/24, was successfully rolled out to the full customer portfolio during the reporting period. This has enabled notable improvements in operational efficiency and service quality. The business also strengthened its on site management presence, ensuring better coordination and enhanced customer engagement. In Q4 2025/26, the business commenced operations for one of Sri Lanka's largest apparel manufacturers, a segment typically associated with higher margins, underscoring JKLL's commitment to diversification and operational excellence.

MMC completed its first full year of operations where the business expanded its operations to manage and operate the Intra-Terminal Vehicles (ITV) operations at the CWIT in the POC. In the latter part of 2025/26, the business expanded its service offering to include Inter Terminal Transport (ITT) operations in the POC.

Awards and Accolades

» Received Silver for 'Digital Transformation' at the Chartered Institute of Logistics and Transport (CILT) Awards.



DHL Keells

During the year under review, performance of the business witnessed a positive growth momentum in tandem with the growth in apparel exports and general trade. DHL continued to maintain its market leadership position primarily focusing on offering competitive pricing options, customer retention and business expansion strategies.

DHL strategically introduced an initiative to reposition its parcel mix toward higher weight categories where the business would focus more on the parcels in the 25kg-50kg range. This transition has delivered favourable outcomes, strengthening DHL's competitive position and contributing positively to operational performance. In addition, DHL is expected to benefit from a new revenue stream associated with parcel volumes exceeding 50kg, which is anticipated to support overall profitability and enhance the business's bottom line.

The business has also succeeded in maintaining its margins through disciplined cost management initiatives, including several targeted programmes designed to optimise expenditure and improve operational efficiency. Complementing these efforts, DHL continued to implement productivity enhancement and process efficiency initiatives through digitisation and the use of dashboards, ensuring the business remains agile and competitive within a dynamic operating environment.

Awards and Accolades

» Received Silver for 'Information Technology Excellence', at the 2025 regional DHL Express APEC Excellence Awards, in the 'Medium and Small Countries' category.

» Received the 'Great Place to Work' Award as one of the 40 Best Places to Work National Listing and ranked second as 'Asia's Best Workplaces (MNC)'.

Airlines and Other

Businesses within the Airline segment recorded strong growth, supported by rising tourist arrivals, increased outbound travel, and a stable macroeconomic environment. The Sri Lankan aviation industry continued to expand, with several new airlines showing interest in commencing operations and existing carriers increasing flight frequencies further strengthening overall performance.

MAL delivered a strong performance during the year, driven by higher demand for both outbound and inbound travel across leisure and corporate segments. Among airlines represented by MAL, both Gulf Air

and AirAsia reported improved results. AirAsia increased its frequencies to Thailand from seven to ten flights per week during the winter season in 2025/26, and expanded services to Malaysia with double daily flights. Load factors on these routes also improved, boosting revenue. The cargo segment of Gulf Air represented by MAL also delivered results ahead of expectations, supported by higher demand and improved yields.

During the year, MAL strengthened its technology and partnership ecosystem through its appointment as the agent for Verteil Technologies in Sri Lanka, a leading new distribution capability (NDC) aggregator. Verteil's platform enables direct, real-time connectivity between airlines and travel sellers, facilitating richer content, dynamic pricing, and enhanced retailing capabilities compared to traditional distribution channels. This appointment marks MAL's entry into a new digital distribution vertical, with the business playing a key role in introducing and promoting this contemporary technology within the local travel trade, supporting the industry's transition towards more efficient and modern airline distribution models.



On the back of an improvement in tourism during the year, Cinnamon Air recorded a strong recovery, supported by a 57% year-on-year growth in passenger loads on scheduled services. Charter demand was also strong, with volumes increasing by 7% to 750 flights, despite adverse weather conditions and operating with a reduced fleet during the peak winter season. The company remains focused on enhancing operational efficiency to sustain growth and improve service delivery.

In January 2026, one aircraft operated by the business experienced an incident during landing on the waters of Lake Gregory in Nuwara Eliya. At the time of the incident, there were no passengers aboard and all crew members were safe, with no injuries or casualties reported. Operations were temporarily impacted to an extent due to the unavailability of the aircraft, which is expected to return to operations during 2026/27.

Mackinnons Travels Limited (MTL) experienced a challenging year, primarily due to operational disruptions that impacted overall performance which have now stabilised. MTL continued to strengthen its service offerings, providing a comprehensive, customer centric value proposition.

Awards and Accolades

- MTL was recognised:
  - Under the categorises of 'Top Travel Agent' and 'Top Corporate Revenue' at the Qatar Airways Annual Travel Agent Awards.
  - For 15 years of partnership with American Express Global Business Travel at the American Express Global Business Travel, Partner Network Conference held in Dubai.

Financial Performance Review

The discussion in this section is framed by the external environment and operational performance discussed previously, together with the non-financial considerations outlined in the section that follows.

Income Statement Indicators

Rs.million	2025/26	2024/25	%
Revenue*			
Transportation	66,137	57,949	14
Ports and Shipping	18,876	15,279	24
Total	85,013	73,228	16

**Including share of revenue of equity accounted investees.*

Transportation

- The Group's Bunkering business, LMS, contributed to the higher revenue driven by a 29% increase in volumes, although revenue grew at 8% due to the decline in the average global fuel prices during the year as compared to the previous year.
- The Bunkering business accounts for ~95% of revenue within the industry group, excluding equity accounted investees.
- JKLL recorded an increase in revenue driven by an improvement in utilisation and expansion of the transportation vertical.

Ports and Shipping

- The increase in revenue in the Ports and Shipping business was driven by the performance of CWIT, which recorded its inaugural year of phase 1 operations.

Rs.million	2025/26	2024/25	%
EBITDA*			
Transportation	4,287	2,388	80
Ports and Shipping	4,710	4,930	(4)
Total	8,997	7,318	23
PBT**			
Transportation	3,460	1,434	141
Ports and Shipping	4,710	4,930	(4)
Total	8,170	6,364	28

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

***Share of results of equity accounted investees are shown net of all taxes but includes impacts from foreign currency exchange gains and losses.*

Transportation

- LMS recorded an increase in EBITDA and PBT supported by a change in the product composition, improving product availability and driving procurement related initiatives.
  - The business demonstrated significant growth in performance during the fourth quarter of 2025/26, driven by both margins and volumes, as a result of the supply chain disruptions arising from the conflict in the Middle East.
- JKLL recorded a growth in EBITDA and PBT driven by revenue growth and enhanced margins.

Ports and Shipping

- The EBITDA and PBT of the Ports and Shipping business consists of the share of profit from equity accounted investees, based on their profit after tax (PAT).

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TRANSPORTATION

» The year-on-year decrease in EBITDA is mainly attributable to the decline in volumes handled at SAGT due to the scheduled closure of one berth to facilitate a crane rail replacement, which temporarily reduced handling capacity, as detailed in the External Environment and Operational Review section.

» Despite operating its first full year and recognising depreciation costs relevant to the first phase of the project, CWIT delivered a positive PAT, supported by strong quarter-on-quarter growth in throughput.

Recurring Adjustments

» In March 2026, the Supreme Court of Sri Lanka delivered its judgment in respect of appeals filed by LMS against certain income tax and indirect tax assessments issued by the Commissioner General of Inland Revenue. In a 2:1 majority ruling, the Supreme Court dismissed these appeals.

While sufficient provisions had previously been recognised in the financial statements to cover exposures arising from these assessments, LMS recognised an additional provision of Rs.1.26 billion during the year as a measure of prudence in respect of certain other assessment periods. Of this, Rs.676 million, relating to indirect taxes, has been recognised within administrative expenses and other operating expenses, impacting EBITDA while Rs.582 million has been recorded under tax expense, impacting PAT.

This additional provision covers potential exposures relating to such assessment periods, which remain under appeal.

» Excluding the impact of tax provisions recorded under administrative expenses and other operating expenses, recurring EBITDA of the industry group was Rs.9.67 billion, a 32% increase from the previous year [2024/25: Rs.7.32 billion].

Balance Sheet Indicators

Rs.million	2025/26	2024/25	%
Debt*			
Transportation	14,359	8,095	77
Ports and Shipping	-	-	-
Total	14,359	8,095	77

**Excludes lease liabilities.*

» The increase in debt of the industry group is mainly attributable to an increase in short term borrowings and trade facilities at LMS due to increase in base oil prices post the conflict in the Middle East and higher volumes achieved.

» Lease liabilities as at 31 March 2026 stood at Rs.409 million, a 58% increase compared to the previous year [2024/25: Rs.259 million], mainly due to renewal of a warehouse lease for a period of five years at JKLL during the year. Total debt including leases stood at Rs.14.77 billion as at 31 March 2026, a 77% increase against the previous year [2024/25: Rs.8.35 billion].

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	29.9		10.1		2.24		1.32
2024/25	29.2		9.5		2.40		1.28

» ROCE of the Transportation industry group increased marginally due to the growth in EBIT margin.

Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the GRI Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted by the Group to manage them.

Material Impact Topics

The Transportation industry group is cognisant of the impacts of its business operations and engages with key stakeholders including its customers, suppliers, agents, regulators, employees, contracted workers, principals and investors towards managing its material sustainability impacts topics such as, GHG emissions and energy management, waste management, health and safety, employee retention and well-being.

Risks arising from these impact topics as well as risks arising from key dependencies on externalities of environmental and social resources, form the basis of the SRROs and CRROs considered by the Transportation industry group. The specific SRROs and CRROs of the industry group are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified and consistent risk management framework across all businesses. During the year, the risk registers of businesses were updated to ensure appropriate coverage of physical climate risks (both acute and chronic), transition risks arising from policy, legal, market, technology, and reputational factors, as well as the sustainability-related operational risks associated with the unavailability of skilled staff and employee health and safety concerns.

Each identified risk is assessed through detailed value chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium, and long term implications for the Group's financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. The implications of the financial position were undertaken on a judgemental basis during the year, while a more comprehensive financial assessment on the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the Group to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic trends and megatrends affecting the industry, together with a detailed assessment of the industry group's value chain, a number of risks were identified as material during the year.

This exercise resulted in the identification of financially material risks, which are managed through the strategies set out in this section.

Bunkering

Climate-related Transition

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Climate Transition				
Midstream Facilities management, engineering and maintenance of barges	Currently the Sri Lankan local bunker market supplies only low/ high sulfur fuel oil and marine gas oil. Mandatory transition to alternative fuels in the regional/ local market in accordance with global initiatives towards Net Zero may require LMS to adapt the necessary infrastructure and seek suppliers to source such alternative fuels.	Medium	» Anticipated impact on fleet of barges, land storage tanks and procurement practices.	» Maintaining awareness of evolving industry developments, assessing feasibility of initiatives and planning for early execution of adaptation efforts such as making necessary modifications to storage infrastructure and exploring partnerships with local/ regional alternative fuel suppliers.

Logistics

Climate Physical Impact

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Acute Physical				
Upstream Warehouse providers and logistics providers **Midstream** Workforce deployment planning and rostering, facilities and warehouse management, and health and safety management **Downstream** Transport partners and customers	Extreme weather, floods, and storms can damage assets, affect employee safety, disrupt transportation, increase absenteeism, and require additional health and safety measures. This may also cause delays resulting in customer dissatisfaction.	Short/ Medium/Long	» Cash outflow for provision of employee well-being support, revenue loss due to reputational damage from potential operational disruptions and contract penalties.	» Accommodating flexible working hours in the midst of extreme weather conditions and upgrading employee facilities with climate-resilient infrastructure.

Emissions - Climate Transition

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Climate Transition				
Upstream Fleet readiness planning including logistics, inra-terminal and inter-terminal trucking	Future regulatory developments and evolving customer expectations of low-emission fleets related to the transportation sector.	Long	» Impact on revenue due to potential negative brand perception without timely adaptation to incoming certifications and investments into electric, hybrid or low-emission fleets.	» Working with vehicle, fuel and technology suppliers to ensure access to low-emission options and planning investments into gradual fleet modernisation accordingly. » Implementing systems to track fleet emissions in real time and generate compliance reports. Ensuring transparent client communications regarding sustainability initiatives.

INDUSTRY GROUP REVIEW

TRANSPORTATION

Skilled Staff Unavailability and High Turnover

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Talent Management				
Midstream Fleet readiness planning including logistics, intra-terminal and inter-terminal trucking	Skilled staff unavailability and high absenteeism can significantly disrupt operations. It can lead to reduced service quality, higher operation costs and higher recruitment and training costs. It can also lead to lower productivity, safety risks and employee dissatisfaction, ultimately affecting customer satisfaction and operational reliability.	Short/ Medium	» Increased cash outflows due to overtime pay, temporary staffing and/ or recruitment costs. » Cost accumulations for training and retention programmes. Persistent turnover, absenteeism and/ or staffing gaps can reduce operational efficiency and lower asset utilisation.	» Implementation of structured recruitment programs to attract qualified drivers and warehouse staff with competitive salaries and benefits packages and promotion of company culture. » Identification of critical roles where shortages may have the highest organisation impact. » Monitoring employee satisfaction and addressing issues proactively. » Partnerships with local vocational schools and training institutes. » Monitoring adherence to labour laws and regulations.

» No financially material SRROs and CRROs were identified by the Airlines business during the reporting year.

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Sectors evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Bunkering

Alternative Fuel Early Adaptation

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Climate Transition				
Midstream Fuel, alternate fuel and lubricant procurement	Undertake feasibility studies to pioneer the transition to alternative fuels in the regional/ local market	Medium	» Increased margins and revenue from early adaptation to alternative fuels.	» Allocation of resources to lobby with governmental and other relevant authorities to establish procedures for alternative fuel adaptations.

Logistics

Low Emission Technologies and Renewable Energy

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Transition				
Midstream Fleet planning including logistics	Gradual fleet modernisation and adoption of low-emission technologies and renewable energy reduces regulatory exposure, improves fuel efficiency and enhances customer and investor confidence.	Medium/ Long	» Possible increase in operating costs during transition period. In the medium and long term, significant fuel cost savings, lower maintenance costs, positive reputational impact and ability to attract new customers preferring low-emission logistics providers.	» Initial capital investment required for electric/ hybrid vehicles.

Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Transportation industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures (SOPs) to manage such material topics, quarterly capture and tracking of key performance indicators based on the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards, communication of the industry group performance to the Group Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Transportation industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Transportation industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Resilient Assets and Operations

Building Climate-Resilient Operations and Infrastructure.

Transportation operations across logistics, port related services, and bunkering experienced exposure to acute physical climate events, including extreme weather, flooding, and storms. These events affected employee safety, disruptions to bunkering operations, transportation and cargo movement, increased absenteeism, and required additional health and safety measures across upstream, internal, and downstream logistics stages. Operational disruptions also created the potential for revenue loss due to service delays, reputational impacts, and contractual penalties.

In response, the sector accommodated flexible working hours during extreme weather conditions and intends to upgrade employee and operational facilities with climate-resilient infrastructure.

Integrated People and Service Excellence

Enhancing Workforce Capability for Operational Resilience.

Across logistics, warehouse services, port related fleet operations, and outbound logistics the sector is expected to further face skilled staff unavailability, high absenteeism and elevated turnover risk. These challenges could result in increased operational costs, temporary staffing requirements, training and retention costs and reduced productivity, with potential effects on service quality, safety performance, and operational reliability.

The sector responded through plans to implement structured recruitment programmes to attract qualified drivers and warehouse personnel, supported by competitive salary and benefits packages and the promotion of company culture. In parallel, identification of critical roles, monitoring of employee satisfaction, partnerships with vocational schools and training institutes, and monitoring of adherence to labour laws and regulations were introduced as ongoing strategies to manage workforce stability and service reliability.

Sustainable Transitions and Resource Stewardship

Transition Planning within Logistics and Bunkering Operations.

Transition-related risks and opportunities are most relevant to the industry group across logistics and port based fleet operations and marine fuel supply. These transition dynamics influence infrastructure readiness, market access and customer expectations over the medium to long term.

Within logistics and port related operations, evolving regulatory developments and customer expectations for low-emission transport present a climate-transition risk across inbound logistics and outbound distribution. Without timely adaptation, this risk has the potential to affect revenue, brand perception, and eligibility for certain contracts. In response, the sector's current strategy remains focused on working with vehicle, fuel, and technology suppliers to ensure access to low-emission options, alongside planning investments into gradual fleet modernisation. This approach is supported by the planned implementation of systems to track fleet emissions in real time, generate compliance reports, and enable transparent communication with clients regarding sustainability initiatives. While these actions may require investments during the transition period, they are structured to support phased adaptation rather than immediate large scale replacement.

At the same time, the sector has identified an opportunity linked to the gradual adoption of low-emission technologies and renewable energy across logistics and fleet operations in the form of planned initial capital investments into electric or hybrid vehicles. This opportunity is defined by the potential for improved fuel efficiency, reduced regulatory exposure, and enhanced customer confidence over the medium to long term.

INDUSTRY GROUP REVIEW

TRANSPORTATION

In bunkering operations, the global shift toward alternative marine fuels represents a climate-related transition risk, given that the Sri Lankan market currently supplies only low/ high sulphur fuel oil and marine gas oil. A mandated transition in line with global Net Zero initiatives could affect barge fleets, land-based storage tanks, and procurement practices. In response, the sector's strategy involves maintaining awareness of evolving industry developments, assessing feasibility of adaptation initiatives, and planning early execution of necessary infrastructure modifications, including changes to storage infrastructure and exploration of partnerships with local or regional alternative fuel suppliers.

Together, these transition-related strategies reflect a measured and staged approach to sustainability within the industry group, aligned with existing operational realities and approved management actions.

Ethical Governance and Digital Trust

Operational Integrity and Emerging Sustainability Governance.

The Transportation industry group operates across highly regulated environments, including marine fuel importation and bunkering, port related fleet operations, logistics services, and airline and travel representation. Across these activities, compliance with contractual, operational, and regulatory requirements remains fundamental to continuity of operations, licence retention and customer trust.

Across logistics, fleet operations, and bunkering, governance continues to be exercised through established operational controls, documentation requirements, and compliance practices embedded within day-to-day operations. These include adherence to contractual terms, regulatory approvals, labour and safety requirements, and reporting obligations inherent to port, transport, and fuel supply activities.

Accordingly, the industry group's focus under this pillar remains on maintaining baseline compliance and operational integrity, while recognising that more formal integration of sustainability-related governance considerations, particularly in partner selection and portfolio decisions is yet to be implemented.

Key Non-Financial Performance Indicators

During the year under review the Transportation industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis, with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Transportation industry group were assessed based on the relevant GRI Standards and SASB standard key performance indicators.

- In the Bunkering business, GHG emissions, energy, and water utilisation intensity decreased by 21%, 20%, and 25%, respectively, reflecting improved operational efficiency and better resource optimisation across bunkering operations. In contrast, waste intensity increased by 39% to 0.61 kg/MT sold, mainly due to a barge fire incident during the year, which increased the subsequent disposal of waste, along with lower operational volumes arising from geopolitical instability in the region and fuel supply disruptions. There were no injuries or fatalities reported in 2025/26. Staff attrition decreased by 17% during the year.
- In 2025/26, GHG emissions and energy intensity increased by 9% and 10% respectively, within the Logistics business, reflecting higher operational volume handling while the operational intensity of sq.footage of warehouse space utilised remained largely unchanged. In contrast, water utilisation intensity declined by 25%, indicating an improvement in water conservation. The reduction in waste intensity to 0.11 kg/sq.ft, a 61% reduction, was mainly due to the disposal of a significant quantity of wooden pallets recorded in the previous year. Occupational health and safety performance recorded 3 injuries (2024/25: 2), with no fatalities. Staff attrition decreased by 50% during the year.
- Within the Airline business, GHG emissions, energy, and water utilisation intensities increased by 11%, 13%, and 30% for Mackinnons Travels, and 48%, 48%, and 18% for Mack Air, respectively, during the year. For Mack Air, these increases were influenced by utility allocation adjustments based on consumption, while Mackinnons Travels recorded slightly higher overall consumption levels during the period.
- There were no workplace accidents or fatalities reported for both entities, reflecting the office-based nature of operations and limited occupational risk exposure. Staff attrition decreased by 13% at Mack Air, while Mackinnons Travels recorded a 31% increase, compared to the previous reporting year.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Transportation industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

Outlook

The Transportation industry group continues to operate within a progressively evolving operating landscape shaped by regional trade dynamics, infrastructure expansion, shifting geopolitical and macroeconomic conditions. Sri Lanka's strategic location on the main East–West shipping and aviation routes, together with its proximity to India's rapidly expanding economic base, remains a defining competitive advantage. In the near term, the emphasis will remain on operational excellence and resilience as global trade moderates. Over the medium to long term, the sector is expected to benefit materially from capacity-led growth, strengthened regulatory alignment, and the timely execution of national infrastructure projects that are essential to realising Sri Lanka's potential as an integrated logistics and aviation hub.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment volatility*
  - Volatility in fuel and energy prices
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
  - Increase in global tariffs and trade policy uncertainty
  - Potential increase in input costs stemming from geopolitical tensions
  - Limited availability of bonded tank space for bunker fuel
- Financial exposure*
  - Exchange rate volatility
- Global competitiveness and portfolio imbalance*
  - Evolving consumer preferences
- Human resources related risks including talent attrition and employee health and safety*
- Environment and biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Growth in regional trade, particularly India
- Digitalisation and automation
- E-commerce growth
- Demand for sustainable logistical solutions
- Development of port and airport infrastructure
- Collaborative logistics networks
- Alternate fuels
- Emerging markets
- Increase in tourism
- Increase in domestic imports and exports
- Integration of AI into warehousing facilities

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Immediate to Short Term

In the immediate term, activity across the transportation portfolio is expected to remain supported by Sri Lanka's strategic geographic positioning and its strong linkages to expanding Indian trade and travel flows. The continued recovery in regional tourism, development in port capacity, combined with stable transshipment and marine services activity, provides a near term foundation for growth. Across all businesses, the priority will be to sustain high levels of service reliability, strengthen cost and productivity disciplines, and leverage data driven decision-making to navigate competitive pressures, commodity price volatility and evolving geopolitical developments.

Ports and Shipping

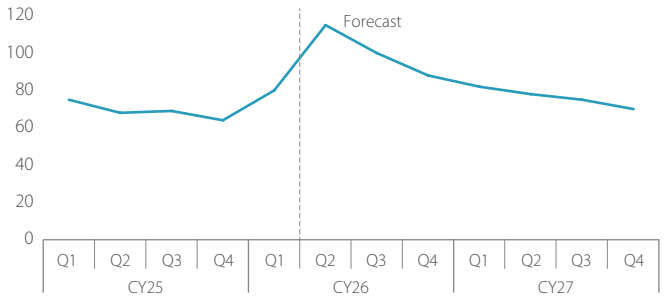
- India's sustained economic growth continues to support rising regional trade volumes. The POC's strategic proximity positions it as a critical transshipment hub to serve Indian cargo flows.
- The revenue and profit streams of the Ports and Shipping business is predominantly in foreign currency. If the Rupee continues to depreciate, profitability in Rupee terms is likely to strengthen, as foreign currency earnings translate into higher domestic currency gains. Additionally, growth in absolute volumes would further enhance performance, with results appearing even more robust when viewed in both Rupee and US Dollar terms.
- Sustained client demand for Colombo-origin volume continues to strengthen the business outlook, reflecting the market's recognition of Sri Lanka's strategic geographic advantage for shipping and logistics.
- Given the increased focus on attracting private capital for infrastructure development, it is likely that a majority of future port-related activities will be undertaken in partnership with the private sector.
- Construction of the full terminal is progressing marginally ahead of schedule from the originally anticipated target of end of CY2026 and will further accommodate volume growth by enhancing the port's overall handling capacity and ability to berth large container vessels. WCT-1 is expected to generate positive spillover benefits across the Group's port operations, including increased throughput, improved operational efficiency supported by advanced terminal automation and higher foreign currency earnings.
- As the first automated container terminal in Sri Lanka, WCT-1 marks a significant advancement in the country's port infrastructure. Its automation is expected to drive long term gains in operational efficiency and reliability, while also enabling more inclusive workforce participation, particularly through the integration of women into traditionally male-dominated roles.
- The continued upsizing of vessels to optimise economies of scale presents challenges to SAGT due to draft constraints. However, SAGT positioned as a strategic feeder terminal, remains well placed to support increasing transshipment volumes between India, the broader South Asia region, and mainline vessel routes.
- The completion of essential infrastructure upgrades at SAGT during the second half of 2025/26 is expected to support improved operational performance. The business will maintain a strong focus on productivity enhancements, cost optimisation and strengthening relationships with global carriers.

INDUSTRY GROUP REVIEW

TRANSPORTATION

Bunkering

Brent Crude Oil Spot Price
(dollars per barrel)



Source: US Energy Information Administration, Short Term Energy Outlook (STEO), April 2026.

For CY2026, the US Energy Information Administration (EIA) forecasts Brent crude oil to average USD 96 per barrel, reflecting supply disruptions and geopolitical risk premiums linked to the conflict in the Middle East. Prices are projected to ease thereafter as production shut-ins slowly abate, averaging USD 76 per barrel in CY2027.

- Bunker fuel demand is expected to strengthen, supported by the anticipated increase in overall capacity at the POC and the resulting growth in vessel calls.
- The operating environment is expected to remain competitive, particularly due to increased activity from local and regional players, including Indian ports. In response, the business has taken many steps to improve its competitive position which should help to stabilise margins.
- The business will leverage advanced analytics and develop use cases to enhance commercial and operational decision-making. These initiatives aim to strengthen procurement and sales strategies, which would improve the margins of the business.
- Executing strategies aimed at mitigating the market risk stemming from fluctuations in oil prices and exchange rates will remain a priority for the business in the near term.
- Favourable macroeconomic or geopolitical shifts that narrow the fuel price differential between Colombo and competing regional ports could further strengthen Sri Lanka's bunkering competitiveness.
- If Sri Lanka becomes more cost-competitive relative to alternative refuelling locations, this would act as an additional positive catalyst for market share gains.
- To support this demand and strengthen future capacity, the business is expanding its operational capabilities through investment in storage and delivery capacity, positioning the segment to unlock additional volume growth and operational efficiencies.

Logistics

- Demand is supported by improving domestic economic conditions, higher throughput from retail and FMCG sectors, and early signs of recovery in export oriented industries.
- Customer acquisition will remain a key priority, with expansion pursued selectively and underpinned by a continued focus on maintaining attractive yields.
- Recent engagements with the garment sector is expected to provide JKLL the necessary experience to acquire more clients and improve overall yields.
- The business will expand warehousing capacity to support the growing client base and rising space requirements, ensuring readiness to capture increased logistics demand.
- Cost structure rationalisation and margin improvement initiatives including digitisation and productivity gains will be key near term focus areas.
- Growing customer preference for outsourced, end-to end logistics solutions presents opportunities to expand service offerings and deepen client relationships.
- International logistics activity is expected to benefit from Sri Lanka's geographical advantage and proximity to rapidly growing Indian supply chains.
- Improvement in activity in the POC is expected to improve profitability of ITV and ITT operations.

Airlines

- The sector is expected to benefit from rising inbound tourism particularly from India and overall outbound travel, supporting frequency growth and higher load factors.
- The commencement of direct operations by one or more currently offline represented airlines would create incremental growth opportunities.
- Growing premium tourism, supported by new high-end leisure developments, is expected to translate to improved yields.
- The realisation of these opportunities remains dependent on the timely expansion of airport capacity, which is currently a binding constraint.
- Cinnamon Air's operations are expected to experience a temporary impact to an extent arising from the unavailability of one aircraft, pending the completion of repair works in Q4 2026/27.

Refer the Leisure industry group review for a discussion on the outlook for the Sri Lankan tourism sector – page 223.

Conflict in the Middle East - Outlook for Sri Lanka

Key developments shaping the outlook:

- Shipping through the Strait of Hormuz has dropped dramatically with tankers stranded and several vessels damaged.
- Nearly 20% of global oil supply flows through this chokepoint, meaning disruptions strongly affect energy prices.
- Major carriers such as Maersk have suspended or rerouted services, increasing transit times and costs.
- War-risk insurance premiums have surged from ~0.2% to ~1% of vessel value, raising shipping costs significantly.
- Ships are increasingly rerouting around Africa's Cape of Good Hope.

For Sri Lanka, this creates both risks and strategic opportunities, especially for the POC, which sits on the main Asia–Europe shipping corridor.

Sector	Opportunities	Risks
Ports and Shipping	» Diversion of shipping traffic from Gulf hubs » Increase in transshipment through Colombo » Stronger feeder connectivity to South Asia » Higher storage revenue	» Vessel bunching and operational congestion » Reduced Gulf-bound cargo volumes » Schedule instability
Bunkering	» Longer shipping routes increase bunker demand » Colombo positioned as key refuelling stop between Asia and Africa » Potential margin expansion	» Higher working capital due to oil price spikes » Demand and price volatility » Credit risk from shipping lines
Logistics	» Higher demand for cargo consolidation and warehousing » Supply chain rerouting through Sri Lanka » Increased forwarding activity	» Freight rate volatility » Longer transit times » Import cost inflation and potential volume impacts » Increase in energy cost
Airlines and Other	» Modal shift from sea freight to air freight » Higher cargo yields for urgent shipments » Potential transit traffic increases	» Higher jet fuel costs linked to oil prices » Potential decline in passenger travel demand » Potential reduction in airline frequencies

Conflict Outlook Scenarios

Scenario	Brent Oil Price	Shipping Routes	Global Trade Impact
Base Case – Status Quo	USD 90–110/bbl	Partial rerouting via Africa	Moderate cost increases
Improvement Scenario	USD 75–90/bbl	Strait of Hormuz routes gradually normalise	Freight rates decline
Worsening Scenario	USD 110–150/bbl	Major rerouting and supply disruptions	Severe cost inflation

Sector Impact by Scenario

Sector	Base Case	Improvement	Worsening
Ports and Shipping	Growth in transshipment volumes	Volumes normalise	Strong diversion to Colombo
Bunkering	Strong demand	Demand moderates	Very high demand but volatile
Logistics	Higher freight rates	Cost normalisation	Supply chain disruptions
Airlines and Other	Slight cargo increase	Fuel costs decline	Cargo demand rises but margins pressured

In the short term, disruptions in Middle Eastern shipping routes are likely to benefit Sri Lanka's port and bunkering sectors, while logistics and airline businesses face mixed impacts due to cost volatility and fuel price pressures.

Sources:

- *Reuters - Shipping disruptions and higher operating costs linked to Middle East tensions, 2025.*
- *Investing.com - Escalating Hormuz tensions drive up war-risk insurance costs, 2025.*
- *Insurance Journal - War-risk insurance cost increases in Middle East shipping routes, 2025.*
- *MarketWatch - Container shipping route disruptions and rerouting trends, 2025.*
- *Marine Insight - Rising marine insurance premiums and shipping risks, 2025.*
- *TankerBrief - The Insurance Weapon: How Seven P&I Clubs Closed the Strait of Hormuz, 2026.*
- *Industry shipping data, maritime trade monitoring platforms, and internal scenario analysis related to global freight, oil prices, and Sri Lanka's logistics sector.*

INDUSTRY GROUP REVIEW

TRANSPORTATION

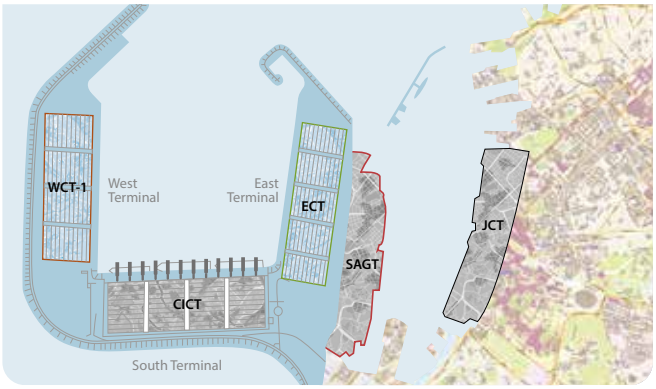
Medium to Long Term

Over the medium to long term, the growth trajectory for the Group's Transportation businesses will be shaped by the successful delivery of major national infrastructure projects, including deep water terminal additions, expanded bonded storage capacity and airport expansion initiatives. These projects are central to capturing rising South Asian trade and tourism flows, and to positioning Sri Lanka as a competitive logistics and aviation hub. Sustained regulatory alignment, operational efficiencies on par with regional benchmarks, and the development of skilled talent will be essential to fully realising these opportunities.

Ports and Shipping

- The continued accelerated ramp-up of WCT-1, is expected to deliver long term efficiency, reliability and capacity enhancements.
- The planned development of the West breakwater, financed by the Asian Development Bank (ADB), and the development of WCT-II will be critical to avoiding capacity constraints beyond CY2028 and is expected to add ~3.5 million TEUs of annual handling potential by CY2030.
- The Colombo North Port development will materially expand the POC and strengthen its role as a major maritime hub in the region.
- SAGT and WCT-1 are positioned to capture capacity-led volume growth through enhanced productivity, value added services, and an optimised balance of domestic and transshipment cargo.
  - The 35 year build, operate and transfer concession at SAGT ends in 2028/29. The business will evaluate opportunities to extend the concession in line with the Government's policy.
- Increased private sector participation is anticipated across future port developments, aligning with the Government's infrastructure strategy.
- Timely execution of port expansion and associated logistics infrastructure projects is essential to preserve competitiveness and avoid displacement of activity to regional alternatives.

Colombo South Harbour Development Project



Bunkering

- Capacity additions at POC, Hambantota International Port (HIP), and select northern and eastern ports are expected to support long term bunker volume growth.
- Improvements in bonded storage capacity and revised storage/ pumping charges will be critical to enhancing competitiveness against regional ports.
- Planned development of 24 new storage tanks in upper Trincomalee and potential private sector operator participation provide a major opportunity for geographic expansion.
- Long term competitiveness will benefit from exploring alternative fuels aligned to International Maritime Organisation (IMO) regulations and leveraging data driven procurement and inventory management.

Logistics

- The 3PL sector is expected to benefit from growing regional integration, higher domestic consumption and continued investment in tourism and manufacturing.
- Opportunities exist to expand into logistics segments not historically served by the business, broadening the addressable market.
- Increased market maturity and adoption of global best practices continue to drive greater outsourcing of logistics functions to professional service providers.
- Investments in digitisation and automation will be central to improving end to end operational efficiency and strengthening competitive positioning.
- Labour market challenges particularly skilled labour outflows remain structural risks requiring targeted retention and capability building efforts.

Airlines

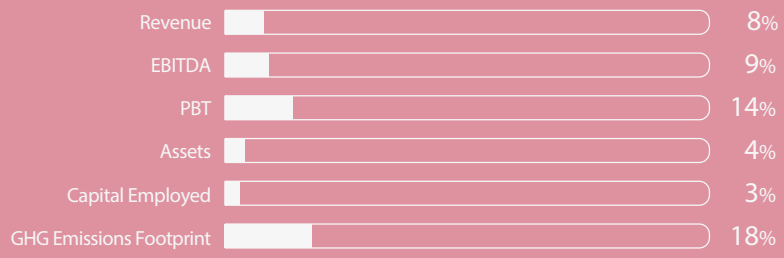
- The Airline segment is expected to benefit from stronger inbound tourism, improved regional connectivity and Sri Lanka's increasing appeal as a global travel destination.
- Airport capacity expansion will be a critical enabler of long term growth, supporting increased frequencies and broader route networks.
- Growth in high end tourism will strengthen demand for domestic air travel and improve aircraft utilisation.
- Represented airlines and domestic operators are positioned to expand services as infrastructure capacity improves and tourism momentum strengthens.
- Competitive cost structures compared to the region are expected to attract more airlines to Colombo.

CONSUMER FOODS

Business Model

The Consumer Foods industry group operates a vertically integrated fast moving consumer goods (FMCG) model centred on manufacturing, branding and distributing beverages, confectionery and convenience foods under leading brands such as Elephant House and Keells Krest.

Contribution to the John Keells Group





Industry Group Structure

Beverages

CSD | Non-CSD

Carbonated soft drinks (CSD) and non-CSD under the Elephant House brand.

- CSD range:
  - Range of unique flavoured CSD products.
  - VIBE, fruit flavoured range.
  - Energy range.
- Non-CSD range:
  - Water.
  - Twistee, a fruit-based tea drink.
  - Fit-O, a fruit flavoured drink.
- Manufacture and distribution of a range of CSD products under the Campa brand.

Confectionery

Multi-serve | Single-serve

- Wide selection of confectionery products under the Elephant House brand.
- Range of muti-serve (bulk) and single-serve (impulse) ice cream products.
  - Single-serve products include stick, cone, freezer pop and cup varieties.
- Imorich, premium ice cream and gelato range.
- Feelgood Range consists of frozen yoghurt and no added sugar ice creams.
- Vegan ice cream range.
- Ice cubes.

Convenience Foods

Range of products under the Keells Krest and Elephant House brands.

- Processed meat products.
- Range of crumbed and formed meat products.
- Range of non-frozen products which includes soya meat, canned food, peanuts, pasta and sauces.

Note: The above products comprise a portfolio of leading consumer brands – all household names, supported by an established island-wide distribution channel and dedicated sales team.

Refer the Group Directory section for the equity holdings of the businesses – page 582.

INDUSTRY GROUP REVIEW

CONSUMER FOODS

		2025/26	2024/25	2023/24
Operational Highlights				
Volume growth:				
Confectionery [1]	%	8	22	4
Beverages (CSD)	%	13	16	10
Convenience Foods	%	22	25	(9)
Financial and Manufactured Capital				
Revenue	Rs.million	44,438	38,669	32,897
EBITDA	Rs.million	7,590	6,703	5,010
EBIT	Rs.million	5,967	5,333	3,774
PBT	Rs.million	5,449	4,951	2,974
PAT	Rs.million	4,510	3,487	2,174
Total assets	Rs.million	35,102	28,233	24,861
Total equity	Rs.million	14,543	12,361	11,930
Total debt [2]	Rs.million	9,958	6,280	5,238
Capital employed [3]	Rs.million	24,642	18,767	17,307
Natural Capital				
Energy consumption	GJ '000	182	155	135
Energy consumption per Rs.million of revenue	GJ/ Rs.million	3.80	3.72	3.76
GHG emissions footprint	tCO_2e	33,031	30,753	28,140
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	0.69	0.74	0.78
Water withdrawal	Cubic meters (m^3)	672,145	608,905	552,013
Water withdrawal Rs.million of revenue	m^3/ Rs.million	14.02	14.61	15.37
Volume of hazardous waste generated	kg	345,078	313,787	279,060
Volume of non-hazardous waste generated	kg '000	2,029	1,465	1,567
Waste generated per Rs.million of revenue	kg/ Rs.million	49.53	42.57	51.40
Human Capital				
Total workforce	No.	2,031	1,811	1,645
Total employees	No.	1,492	1,467	1,400
Total contractor's personnel	No.	539	344	245
EBIT per employee	Rs.million	4.00	3.64	2.70
Average training per employee	Hours	35.54	37.64	35.77
Total attrition	%	19.47	18.51	15.29
Female employees	%	13	12	12
Total number of injuries	No.	38	22	17
Social and Relationship Capital				
Community services and infrastructure projects [4]	Rs'000	35,284	23,925	20,292

1. *Including Freezer Pops.*
2. *Excludes lease liabilities.*
3. *Includes lease liabilities.*
4. *Only the contribution to John Keells Foundation.*

Value Chain

The overall value chain spanning the Beverages, Confectionery and Convenience Foods businesses broadly encompasses similar groups of upstream, midstream and downstream partners, as illustrated below. It should be noted that the individual upstream, midstream and downstream processes vary based on specific types of value chain partners and operations for the businesses.

Upstream

- Raw material and packaging suppliers, farmers and manpower providers
- Capital equipment, logistics and utility providers
- Investors, regulatory bodies, consultants, universities, innovation labs and accreditation bodies

Midstream

- Core manufacturing operations
- Utility, cold storage and other facilities management
- Raw material and packaging sourcing
- Disposal, recycling or reuse of packaging and product waste
- Quality assurance and compliance management
- Research, product development and sales and marketing
- Distributor management
- Customer feedback management

Downstream

- Retailers, distributors and logistic providers
- End-use consumers





External Environment and Operational Review

Macroeconomic Update

- Sri Lanka sustained its economic growth trajectory during the year under review, supported by robust macroeconomic fundamentals and improving confidence across key sectors. Business and consumer sentiment strengthened further, aided by stable monetary conditions and expanding private sector credit.
- Based on the Central Bank of Sri Lanka (CBSL) statistics, consumption expenditure estimates, at constant prices in CY2025, increased at a moderate rate driven by an increase in overall economic activity and a gradual increase in inflation.
- Impact from Cyclone Ditwah: While the operations of the businesses were disrupted during the few days and immediate aftermath of the cyclone, there were no significant operational or financial impacts as a direct result of the cyclone and related flooding, although the Confectionery business experienced temporary cold chain distribution-related disruptions. The businesses took steps to support affected distributors and retailers through certain financial and working capital related relief measures.

Refer the Operating Environment section for further details - page 41.

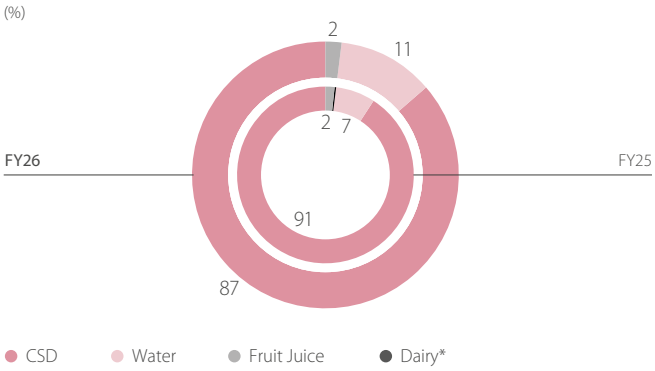
Key Policy and Regulatory Highlights

- An Extraordinary Gazette issued on 30 January 2026 amended the Shop and Office Employees Act to permit women aged 18 and above to work night shifts (6 p.m. - 6 a.m.) in sectors including hospitality, food and beverage services and related establishments, subject to mandatory employer safeguards on safety, transport and welfare.
- Electricity tariffs for the food and manufacturing sector were revised upwards, by 16% on average, in June 2025, in line with the cost reflective pricing mechanism.
- The national minimum wage increased to Rs.27,000 per month (Rs.1,080 daily), effective 1 April 2025, with a further rise to Rs.30,000 per month (Rs.1,200 daily) from 1 January 2026, across all industries and services.

Beverages

The Beverages business recorded a strong growth in volumes of 18% during the year under review [2024/25: 10%] supported by growth in both the CSD and non-CSD segments. The CSD segment recorded a volume growth of 13% [2024/25: 16%] due to overall improvement in consumer activity, better seasonal sales and favourable weather conditions. Fourth quarter volumes were particularly robust, partly driven by higher sales post the Cyclone Ditwah disruptions in the third quarter and a temporary supply disruption faced by a key competitor in Beverages. New product introductions, including additional CSD flavours and energy drinks, gained encouraging traction during the year and contributed to the growth in volumes.

Volume Contribution - Beverages Business

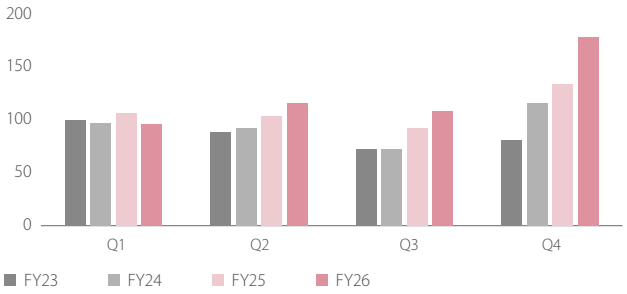


**Discontinued the segment from Q3 2024/25.*

87:13
CSD to Non-CSD Volume Mix
[2024/25: 91:9]

Insights

CSD Volumes
(Index: Q1 FY23 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2025/26	2024/25
CSD	(10)	12	17	30	13	16

- Q1 – The CSD segment recorded a volume decline of 10%, in line with that witnessed in the market, due to unseasonal adverse rainy weather conditions which prevailed across the country.
- Q2 – A recovery in growth momentum was supported by increased consumer activity.
- Q3 – Growth was driven by seasonal sales, particularly in the month of December 2025.
- Q4 – Growth in volumes was driven by favourable weather conditions, improvement in consumer activity and a temporary disruption of a key competitor post the cyclone.

During the year, polyethylene terephthalate (PET) volumes witnessed a growth while the returnable glass bottles (RGB) volumes declined on account of the continued shift in consumer preferences, particularly due to convenience and retailer preference to maintain stocks in PET bottles. Demand for cans increased gradually, particularly among younger consumers, albeit off a relatively small base.

INDUSTRY GROUP REVIEW

CONSUMER FOODS

Margins improved on the back of lower electricity costs against the previous year, despite the tariff revision in June 2025, price increases for select products, cost management initiatives, including supplier negotiations to enhance commercial terms and conditions, alongside moderation in several raw material prices. Price increases in certain inputs, including ginger, were managed through selective pricing actions to successfully mitigate impacts on margins.

Operational focus during the year was on improving capacity utilisation and efficiency across manufacturing facilities. Enhancements undertaken at the recently acquired blow moulding plant enabled optimal capacity utilisation. While no major capacity expansions were completed during the year, selective line improvements ensured adequate capacity to meet demand. Overall, high utilisation resulted in productive use of the capacity of a better dilution of the fixed costs, translating to an improved contribution towards margins.

The business continued to expand its distributor network by implementing effective planning and brand building strategies which resulted in an increase in retail penetration. The continued workflow and factory automation programmes enabled the integration of information generated which facilitated numerous data analytics-driven projects that supported enhanced operational efficiency.

During the second quarter of the year under review, the business introduced the Campa CSD and Campa Energy beverage lines, where Ceylon Cold Stores PLC (CCS) handles the production and distribution of the products. The business operates under a fee-based franchise model with Reliance Consumer Products Limited (RCPL) for this portfolio.

Further, the contribution to the profitability of the Beverages business from the franchise partnership with RCPL for the manufacture, sale and distribution of Elephant House beverages in India remains minimal at this point of time. As the franchiser, CCS provides the flavour concentrates and does not have any capital and cost commitments. While consumer acceptance of the products in India could take time to ramp-up, the entry strategy for CCS is low risk with the opportunity to establish our brand in India if successful.

Product Launch Highlights

- Elephant House FYRE, an energy drink in 250 ml PET bottles.
- Launched the CAMPA portfolio, including flavours such as Cola, Lemon and Orange, and the energy drinks CAMPA NRG and Berry Kick.

Awards and Accolades

- Elephant House was ranked first as the 'Most Loved Cold Beverage Brands' at LMD's Brands Annual Awards 2025.
- Elephant House Beverages was awarded 'Beverage Brand of the Year' at Sri Lanka Pinnacle Awards 2025.
- Elephant House was ranked first as 'Sri Lanka's Most Valuable Food & Beverage Brands 2025' by Brand Finance.
- Received the following at the SLIM National Sales Awards 2025:
  - Four Gold awards
  - Five Silver awards
  - One Merit award

Confectionery

The Confectionery business witnessed an encouraging growth of 8% in volumes during the year under review [2024/25: 22%] driven by both the multi-serve (Bulk) and single-serve (Impulse) segments. Whilst growth was attributable to seasonal demand and favourable weather conditions, the third quarter of the year was impacted by adverse weather and a lagged impact on cold chain distribution-related disruptions as a result of Cyclone Ditwah.

During the year, demand for multi-serve products remained relatively strong compared to single-serve offerings, reflecting pricing pressures and, to an extent, lower consumer activity levels in the immediate period post the cyclone till cold chain distribution channels stablised. Notwithstanding this, the single-serve segment demonstrated a recovery in volume momentum towards the latter part of the year, supported by the introduction of extruded products and premium offerings.

The premium range Imorich sustained its volumes, while value added products under the Elephant House brand witnessed positive traction.

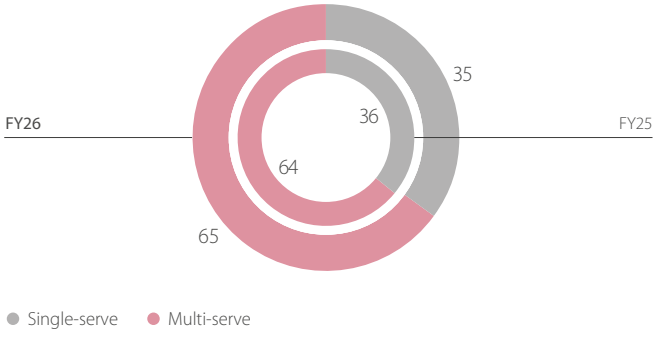
Margins were impacted by higher raw material prices, particularly of cocoa and select dairy based raw material prices. These pressures were partially mitigated through selective price adjustments, decrease in electricity costs despite tariff revisions, productivity improvements and ongoing cost optimisation initiatives. Margins were also impacted by higher advertising and promotion expenses and higher selling and distribution expenses incurred to support brand development activities and network expansion.

The business continued to invest in operational efficiency, including process improvements, automation and the expansion of internet of things (IoT) enabled monitoring systems to strengthen production, storage and cold chain management. End-to-end quality initiatives and enhanced temperature monitoring systems supported reductions in wastage and improved operational reliability. Analytics led initiatives were further embedded to optimise stock keeping units (SKU) assortment, distributor margins and outlet level performance.

Retail penetration was supported by continued investments to strengthen route-to-market capabilities, enhance cold chain infrastructure and improve outlet coverage. These initiatives supported improved product availability and reinforced the resilience of the distribution network, which continues to underpin volume growth and scale.

Multi-serve to Single-serve Volume Mix

(%)



Single-serve Product Portfolio Expansion

Extruded Ice Cream Products - Global Market

The extruded ice cream segment is one of the fastest growing categories within the global frozen confectionery market, driven by evolving consumer preferences for premium, indulgent and differentiated single-serve offerings.

Key Market Metrics

~12%
Extruded ice cream share of global ice cream market (2022)

>14%
Medium term outlook for share of extruded ice cream

CAGR of ~8%
Extruded ice cream segment growth

CAGR of ~5%
Total ice cream market growth

Source: Fortune Business Insights – Extruder Ice Cream Market, 2023-2030.

At a regional level, extruded ice cream demand is expected to grow at ~10% CAGR through CY2030, with markets such as India, Thailand, Malaysia and Singapore exhibiting sustained momentum. Growth is driven primarily by stick-based extruded products, which offer an attractive combination of convenience, indulgence and price accessibility. Regionally, extruded ice cream typically contributes ~10% of total ice cream consumption, with higher penetration observed in more developed markets.

While Sri Lanka's extruded ice cream category remains at an early stage of development, underlying market dynamics are supportive. Per capita consumption is expected to trend upwards over the medium term, supported by rising urbanisation, increasing disposable incomes and a gradual shift in consumer preference towards premium single-serve products.

Against this backdrop, the business's investment in extrusion capability positions it well to capture early-mover advantages, establish category leadership and participate meaningfully in a structurally higher growth segment within the ice cream market.

Launch of Extruded Products Under the Elephant House Brand

In line with its portfolio expansion and premiumisation strategy, the business commissioned an extrusion line to enhance its single-serve ice cream offering and strengthen its competitive position. Operations commenced in January 2026 with the launch of seven extruded ice cream products, representing the first instance of such products being manufactured locally and establishing in-house production capabilities.

The introduction of extrusion technology represents a significant enhancement in manufacturing capability, enabling the production of precisely shaped, multi textured and coated premium products that were previously unavailable in the domestic market. The initial portfolio, launched under the Wonder and Imorich brands, includes fruit shaped stick ice creams and premium range sticks, aligned with evolving consumer demand for sensorial and differentiated dessert experiences.

Extruded products offer higher margins compared to conventional moulded products, supported by improved unit economics, better yield efficiencies and premium pricing potential. In addition, migrating select existing products to the extrusion line has unlocked manufacturing efficiencies while deferring incremental investment in expanding capacity for the traditional product range.

The extrusion line was commissioned following a capital investment, reflecting a long term commitment to innovation-led, margin accretive growth while strengthening supply chain capability. This was complemented by the commissioning of a new cone baking line, further reinforcing manufacturing excellence and enabling future innovation and portfolio expansion. Additional product introductions under the extruded portfolio are planned in the ensuing quarters.





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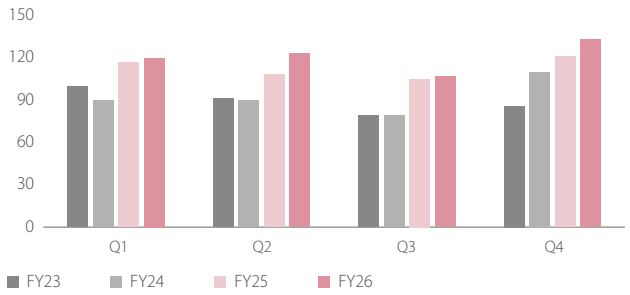
Insights

Confectionery Volumes
(Index: Q1 FY23 = 100)



Volume Growth (%)	Q1	Q2	Q3	Q4	2025/26	2024/25
Confectionery volumes	3	14	2	12	8	22

- Q1 – Volumes recorded a growth driven by seasonal sales in the months of April and May 2025 despite weather related disruptions.
- Q2 – Growth in volumes continued as consumer activity continued its growth momentum.
- Q3 – Growth driven by higher sales in the multi-serve segment. However, Confectionery volumes in November and December 2025 were muted, particularly in the single-serve segment, due to adverse weather conditions and temporary cold chain distribution-related disruptions caused by Cyclone Ditwah.
- Q4 – Growth in volumes was driven by new product launches coupled with higher sales post the Cyclone Ditwah disruptions in the third quarter with favourable weather conditions.

During the year, CCS expanded its international footprint by entering the Australian market, under a contract manufacturing agreement. Operations commenced in December 2025, with initial production focused on select core SKUs under the Elephant House brand. Whilst manufacturing is undertaken in Australia, selected key raw materials are supplied by CCS to ensure consistency in quality, taste and brand standards. CCS also earns a fixed royalty per unit sold as consideration for providing brand usage, proprietary recipes and technical support. Initial market response has been encouraging, with offtake volumes exceeding expectations during the launch phase. The business expects volumes to scale progressively over the medium term, supported by the phased expansion of distribution across additional Australian states.

Product Launch Highlights

- Tubs: Launch of 500 ml and 2 litre range under Imorich flavours.
- Launch of two new products in the Imorich Gelato range.
- Range of seasonal limited-edition flavours were launched.
- Range of extruded products under the Wonder and Imorich brands.

Awards and Accolades

- Elephant House was ranked second as the 'Most Loved Packaged Food Brands (Desserts)' at LMD's Brands Annual Awards 2025.
- Elephant House Ice Cream received the following at the SLIM Brand Excellence Awards 2025:
  - 'Brand of the Year 2025'
  - Gold for 'Product Brand of the Year 2025'
  - Silver for 'Local Brand of the Year 2025'
- Elephant House Ice Cream was recognised as a SuperBrand by SuperBrands Sri Lanka Status 2025.
- Received the following at the SLIM National Sales Awards 2025:
  - Two Gold awards
  - Three Silver awards
  - One Bronze award
  - Two Merit award

Advanced Analytics

Continued focus on sustaining and enhancing the use cases currently deployed across the Beverages and Confectionery businesses, with particular emphasis on distributor economics and operations efficiency, distribution efficiency, salesforce effectiveness and promotional spend optimisation.

Use cases presently in pilot and advanced development stages in distributor order optimisation are expected to progress into rollout during the upcoming financial year, contributing incremental benefits across the commercial and route-to-market value chain.

Convenience Foods

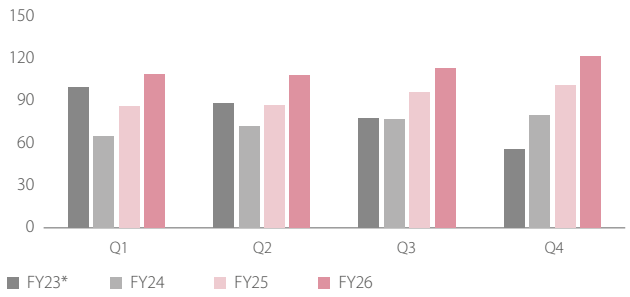
Keells Food Products PLC (KFP) recorded a significant volume growth of 22% during 2025/26 [2024/25: 25%] driven by increased consumer activity and a shift in spending towards more discretionary items. The strategic price revisions undertaken over the last two years, improved product affordability, which also contributed towards volume growth. The general trade and hotel, restaurant and cafe (HORECA) segments recorded strong momentum, supported by increased consumer activity and higher tourist arrivals, while the modern trade channel demonstrated a more gradual recovery.

During the year under review, the business maintained its position as the market leader in the processed meats category.



Insights

Convenience Foods Volumes
(Index: Q1 FY23 = 100)



** Domestic financial crisis*

Volume Growth (%)	Q1	Q2	Q3	Q4	2025/26	2024/25
Convenience Foods volumes	27	23	18	22	22	25

- Q1 and Q2 – Volume growth continued its momentum from the previous quarter (Q4 of 2024/25) due to an increase in consumer activity supported by a stable macroeconomy and price revisions implemented on select products, particularly in 2024/25.
- Q3 – Demand experienced a slight impact due to disruptions arising from the cyclone.
- Q4 – Growth was driven by seasonal sales and continued strength in consumer activity.

The business continued to expand its non-frozen category by introducing new products in the pasta, canned food and snacks segments during the year. The business also introduced a new range of sauces during the year. Distribution capabilities were further strengthened through the deployment of dedicated non-frozen category distributors and sales teams, together with increased trade spend. This aligns with the business's strategic objective to expand and diversify its product portfolio while leveraging off overall distribution capabilities and its network.

The business experienced volatility in key raw material prices during the year, particularly chicken and pork, alongside supply constraints arising from the African swine flu. These challenges were proactively managed through selective imports, forward procurement strategies and disciplined working capital management, enabling continuity of supply. Margins improved during the year, supported by operating leverage, price increases on select products due to raw material price increases, lower energy costs and targeted process improvements across manufacturing and logistics operations.

During the year, the business expanded its export business to India under the Keells Krest brand.

"KFP recorded a significant volume growth driven by increased consumer activity and a shift in spending towards more discretionary items."

Product Launch Highlights

- Strengthened the value added sausages portfolio with new 2-stick variants, including Nai Miris and Garlic.
- Expanded the crumbed and ready-to-cook snack range with the launch of Popcorn Chicken and enhanced Crispy Chicken offerings.
- Increased penetration in the HORECA channel through the launch of submarine mixes and upgraded bun-filler solutions.
- Extended the raw meat portfolio with imported beef topside variants, including cubes and marinated formats.
- Expanded the peanuts portfolio with new pack sizes.
- Launched a range of sauces across multiple flavours, featuring innovative, consumer-friendly packaging.
- Introduced value added pasta variants.
- Undertook product renovations and reformulations across key categories to enhance taste, quality and channel relevance.

Awards and Accolades

- Received Gold in the 'Medium scale Manufacturing' category in the National Quality Awards 2025 for having the best-in-class processes within the entire organisational structure.
- Elephant House Convenience Foods was ranked eighth as the 'Most Valuable Food and Beverage Brand in Sri Lanka 2025' by Brand Finance.
- Keells Krest was ranked 11th as one of the 'Most Loved Brands in Sri Lanka 2025' by LMD.
- Received the following at the SLIM National Sales Awards 2025:
  - One Bronze award
  - Three Merit awards



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Financial Performance Review

The discussion in this section is framed by the external environment and operational performance discussed previously, together with the non-financial considerations outlined in the section that follows.

Income Statement Indicators

Rs.million	2025/26	2024/25	%
Revenue			
Beverages and Confectionery	38,012	33,505	13
Convenience Foods	6,425	5,164	24
Total	44,437	38,669	15
EBITDA*			
Beverages and Confectionery	6,929	6,250	11
Convenience Foods	661	453	46
Total	7,590	6,703	13
PBT			
Beverages and Confectionery	5,096	4,794	6
Convenience Foods	353	157	125
Total	5,449	4,951	10

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

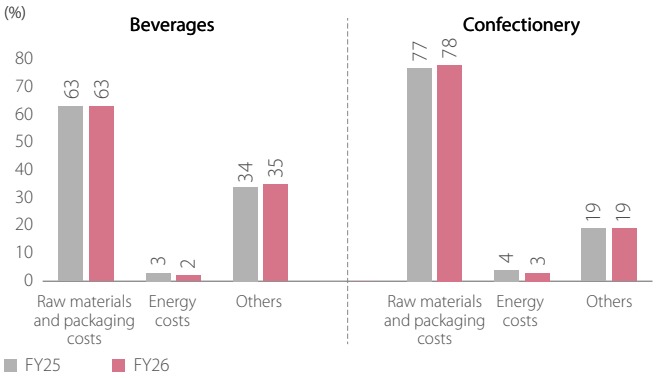
Beverages and Confectionery Businesses

2025/26	Q1	Q2	Q3	Q4	Full Year
Beverages (CSD) volume growth (%)	(10)	12	17	30	13
Confectionery volume growth (%)	3	14	2	12	8
Beverages and Confectionery EBITDA (Rs.million)	1,144	1,622	1,242	2,920	6,929
Beverages and Confectionery EBITDA growth (%)	(19)	7	6	36	11
Beverages and Confectionery EBITDA margin (%)	14	17	15	24	18

» The Beverages and Confectionery businesses recorded revenue growth, primarily driven by volume expansion, as detailed in the External Environment and Operational Review section.

- Revenue growth in Q1 2025/26 was negative for the Beverages business due to a decline in volumes as a result of unseasonal adverse rainy weather conditions which prevailed across the country.
- Revenue growth in Q4 2025/26 was significant for both the Beverages and Confectionery businesses due to favourable weather conditions and improvement in consumer activity. The strong growth in revenue of the Beverages business was also on the back of a disruption of a key competitor post Cyclone Ditwah.

» Cost of sales breakdown:



» Overall cost of sales moved broadly in line with volume growth across both businesses, with no material variances noted during the year. The Confectionery business, however, experienced temporary cost pressures arising from higher raw material prices globally, particularly for cocoa and certain dairy-based ingredients.

47:53
Beverages to Confectionery revenue mix
[2024/25: 45:55]

94:6
Beverages
CSD to Non-CSD revenue mix
[2024/25: 94:6]

47:53
Confectionery
Multi-serve to Single-serve revenue mix
[2024/25: 47:53]

» Growth in EBITDA during the year was driven by the Beverages business. The EBITDA margin of the Beverages and Confectionery businesses was 18% [2024/25: 19%].

» EBITDA of the Beverages business grew during the year, while the EBITDA margin of the business recorded an increase due to lower electricity costs and price increases for select SKUs. Enhanced operating leverage stemming from higher volumes, enabled greater absorption of fixed costs, while cost management initiatives further supported margin growth.

» EBITDA of the Confectionery business recorded a marginal decline. Similarly, the EBITDA margin also declined due to higher raw material prices, particularly cocoa and select dairy-based raw materials, and increased advertising and promotion expenses, and higher selling and distribution expenses incurred to support new product launches, brand development activities and network expansion. Margins were further pressured by lower volumes in the months of November and December 2025 and the lagged impact on cold chain distribution-related disruptions following Cyclone Ditwah, which impacted Q3 2025/26 volumes.

» The PBT of the Beverages and Confectionery businesses recorded a growth driven by the increase in EBITDA of the Beverages business as mentioned above, although depreciation and interest expenses increased on account of recognition of the new extruder machinery investment, and higher interest expenses on account of working capital requirements.

Convenience Foods

2025/26	Q1	Q2	Q3	Q4	Full Year
Volume growth (%)	27	23	18	22	22
EBITDA (Rs.million)	111	83	178	290	661
EBITDA growth (%)	33	(6)	33	95	46
EBITDA margin (%)	8	6	10	16	10

» As outlined in the External Environment and Operational Review, growth in revenue was on account of strong volume growth due to a rise in demand and consumer activity.

» The general trade and HORECA segments recorded strong momentum, supported by increased consumer activity and higher tourist arrivals, while the modern trade channel demonstrated a more gradual recovery.

» EBITDA of the business was supported by higher volumes, price increases on select products due to raw material price increases, lower energy costs and targeted process improvements across manufacturing and logistics operations.

- EBITDA growth in Q2 2025/26 was negative due to higher prices for pork due to supply constraints arising from African swine flu despite volume increases.
- EBITDA growth in Q4 2025/26 was significantly higher due to price increases on select products due to raw material price increases and enhanced operating leverage stemming from higher volumes, which enabled greater absorption of fixed costs.

» The EBITDA margin of the Convenience Foods business increased to 10% [2024/25: 9%].

» The PBT of the business recorded a significant improvement driven by the increase in EBITDA, despite a marginal increase in finance expenses due to higher short term borrowings for working capital requirements.

Recurring Adjustments

The fair value gains and losses on investment property pertaining to CCS was recorded at Rs.17 million [2024/25: Rs.19 million].
The recurring EBITDA of the industry group, excluding the fair value gains and losses on investment property amounted to Rs.7.57 billion [2024/25: Rs.6.68 billion].

Balance Sheet Indicators

Rs.million	2025/26	2024/25	%
Assets			
Beverages and Confectionery	30,368	24,150	26
Convenience Foods	4,734	4,083	16
Total	35,102	28,233	24
Debt*			
Beverages and Confectionery	8,669	5,247	65
Convenience Foods	1,289	1,033	25
Total	9,958	6,280	59

**Excludes lease liabilities.*

» The Beverages and Confectionery businesses recorded an increase in assets due to investments of ~Rs.3 billion in extruder product manufacturing machinery and cone baking machinery, and investments in ~2,400 freezers and ~2,700 coolers [2024/25: ~2,220 freezers and ~780 coolers]. Current assets of the business increased in line with working capital requirements.

» Assets of the Convenience Foods business increased due to increased inventory and trade receivables due to higher operating volumes.

» The increase in debt is primarily attributable to the increase in bank overdrafts and borrowings to fund the investment in extruder product manufacturing machinery and working capital requirements.

» Lease liabilities as at 31 March 2026 for the industry group stood at Rs.141 million [2024/25: Rs.125 million]. Total debt including leases stood at Rs.10.10 billion as at 31 March 2026 [2024/25: Rs.6.41 billion].

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	27.5		13.4		1.40		1.46
2024/25	29.6		13.8		1.46		1.47

» The decrease in ROCE was driven primarily by the decrease in the EBIT margins in the Confectionery business which was more than off set by the margin improvement recorded by the Beverages business.

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Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the GRI Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including related strategies adopted by the Group to manage them.

Material Impact Topics

The Consumer Foods industry group is cognisant of the impacts of its business operations and engages with key stakeholders including its raw material suppliers, farmers, manpower providers, utility providers, consultants, investors, regulators, agency partners, retailers, distributors and end-user customers towards managing its material sustainability impact topics such as macroeconomic conditions and policy developments, quality, compliance, customer experience, responsible product innovation, sustainable resource management, procurement practices, talent attraction and retention, climate resilience, and disaster management.

Risks arising from these impact topics as well as risks arising from key dependencies on externalities of environmental and social resources, form the basis of the SRROs and CRROs considered by the Consumer Foods industry group.

The specific SRROs and CRROs of the industry group are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified and consistent risk management framework across all businesses. During the year, the industry group's risk registers were updated to ensure appropriate coverage of physical climate risks (both acute and chronic), transition risks arising from policy, legal, market, technology, and reputational factors, as well as sustainability-related operational risks including food safety, skilled labour, waste and water stewardship.

Each identified risk is assessed through detailed value chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium, and long term implications for the Group's financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. The implications on the financial position were undertaken on a judgemental basis during the year, while a more comprehensive financial assessment of the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the Group to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic trends and megatrends affecting the industry, together with a detailed assessment of the industry group's value chain, a number of risks were identified as material during the year.

This exercise resulted in the identification of financially material risks for the industry group which are managed through the strategies set out in this section.

Deviations from Food Safety Related Standards

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Food Safety and Contamination				
Upstream Raw material suppliers, farmers and food handlers **Midstream** Core manufacturing operations, utility, cold storage and other facilities management, quality assurance and compliance management, distributor management and customer feedback management **Downstream** Retailers, distributors, logistic providers and end-use consumers	Quality deviations, contaminations, adulterations and cold chain failures cause recalls, penalties, and reputation loss.	Short/ Medium	» Manufacturing operations, cold chain assets, distribution and supplier facilities and consumer storage.	» Quality assurance (QA) monitoring, traceability controls, incident response, supplier engagement and corrective action processes.

Climate Physical Impact

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Chronic Physical				
Upstream Raw material suppliers, farmers and manpower providers **Midstream** Core manufacturing operations, utility, cold storage and other facilities management, quality assurance and compliance management, Distributor management and customer feedback management **Downstream** Retailers, distributors and logistic providers	Rising ambient temperatures, drought, rainfall pattern shifts may increase refrigeration, energy demand and spoilage risk and disruptions to supply chains.	Short/ Medium/Long	» Manufacturing plants and utilities, cold chain infrastructure, refrigeration assets and distribution vehicles.	» Climate resilient facility upgrades, resilience capital expenditure such as elevated storage zones, reinforced drainage, backup power generation, insulation of critical processing assets and alternate sourcing plans.
Risk Category: CRR – Acute Physical				
Upstream Raw material suppliers, farmers and manpower providers **Midstream** Core manufacturing operations, utility, cold storage and other facilities management, quality assurance and compliance management, distributor management and customer feedback management **Downstream** Retailers, distributors and logistic providers	Floods, cyclones, lightning may cause operational disruption, asset damage and cost escalation.	Short/ Medium/Long	» Manufacturing plants and utilities, cold chain infrastructure, refrigeration assets and distribution vehicles.	» Business Continuity Plans (BCP) improvements, resilience upgrades, monitoring devices, freezer upgrades, emergency response, rerouting logistics and insurance optimisation.

Climate Transition

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – GHG Emissions and Energy Management				
Midstream Core manufacturing operations, utility, cold storage and other facilities management, quality assurance and compliance management, distributor management and customer feedback management **Downstream** Retailers, distributors and logistic providers	High energy intensity and rising GHG emissions may raise operating costs, regulatory pressure and reduce competitiveness.	Short/ Medium/Long	» Manufacturing plants and utilities, cold chain assets, refrigeration systems and distribution vehicles.	» Energy efficiency initiatives, energy monitoring, refrigeration optimisation, backup power, production rescheduling and engagement with utilities/ logistics partners.

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Environmental and Social Impacts of Ingredient Supply Chain

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Sustainable Ingredient Sourcing				
Upstream Raw material suppliers, farmers and regulatory bodies **Midstream** Raw material sourcing, quality assurance and compliance management	Sanctions on supply chain partners increase supply chain disruptions, cost volatility and reputation concerns. Risks from animal-based and agricultural sourcing (animal welfare, antibiotic use, disease outbreaks) resulting in supply chain disruptions, cost volatility and reputation concerns.	Short/ Medium/Long	» Agricultural sourcing regions, dairy farms, local and import dependent ingredient suppliers, supplier facilities, cold chain and distribution sites.	» Supplier audits, environmental, social and governance (ESG) assessments, antibiotic use controls, biosecurity protocols, sourcing diversification, contingency sourcing, supplier engagement and coordination.

Skilled Labour Availability and Capability Risk

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Skilled Labour Availability and Capability Risk				
Upstream Manpower providers **Midstream** Core manufacturing operations, quality assurance and compliance, management, and research and product development	Skill shortages reduce productivity, increase safety risks, disrupt continuity and slow adoption of automation.	Short/ Medium/Long	» Manufacturing and office locations, cold chain, supplier and distribution facilities.	» Workforce planning, targeted hiring, upskilling, training, redeployment, overtime control and engagement with labour agencies and technical partners.

Waste Management and Packaging Life Cycle Management

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Waste Management				
Midstream Disposal, recycling, or reuse of packaging and product waste	Inadequate waste and sludge management increases compliance costs and reputational impact.	Short/ Medium/Long	» Manufacturing plants and waste management systems.	» Waste segregation, recycling initiatives, compliance checks, alternative disposal, temporary packaging adjustments, supplier and recycler collaboration.
Risk Category: SRR – Packaging Lifecycle Management				
Upstream Packaging suppliers **Midstream** Disposal, recycling, or reuse of packaging and product waste	Poor packaging lifecycle management increases cost exposure and reputational damage including regulatory requirement stemming from extended product responsibility (EPR).	Short/ Medium/Long	» Manufacturing plants and packaging supplier facilities.	» Packaging compliance checks, waste segregation, alternative packaging and collaboration with recyclers and retailers.

Water and Wastewater Management

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Water and Wastewater Management				
Midstream Facilities management and disposal of production waste	Water scarcity or poor water quality and effluent treatment plants (ETP) failures disrupt production and create regulatory, environmental and reputational risks.	Short/Medium	» Manufacturing facilities, ETPs, water treatment plants and wastewater plants, and water intensive.	» Water monitoring, discharge compliance, ETP maintenance, water reuse prioritisation, emergency protocols and engagement with regulators and utilities.

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Businesses evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Climate Focused Projects, Cold Chain Strengthening, Energy Efficiency and Low-carbon Operations

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Climate Focused Projects and Cold Chain Strengthening				
Midstream Core manufacturing operations, utility, cold storage and other facilities management	Investments in climate resilient infrastructure reduce service disruptions and protect asset life.	Short/Medium	» Cold chain assets, warehouses and supplier and distribution facilities.	» Backup power, contingency planning, resilience upgrades and BCP enhancements.
Opportunity Category: CRO - Energy Efficiency and Low-carbon Operations				
Midstream Core manufacturing operations, utility, cold storage and other facilities management	Improving energy efficiency in manufacturing, refrigeration and logistics reduces costs and enhances transition resilience.	Short/ Medium/Long	» Manufacturing plants, utilities, refrigeration systems and logistics assets.	» Energy audits, efficiency programs, energy monitoring, refrigeration optimisation and transition to lower carbon technologies.

Commitment to Food Integrity, Traceability and Quality Excellence

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Food Safety/ Contamination				
Upstream Raw material suppliers, farmers and food handlers **Midstream** Core manufacturing operations, utility, cold storage and other facilities management, quality assurance and compliance management, distributor management and customer feedback management **Downstream** Retailers, distributors and logistic providers and end-use consumers	Ensuring high quality, traceable, quality assured and safe products across the value chain while avoiding recalls.	Short/Medium	» Manufacturing plants, cold chain assets and supplier and distribution facilities.	» QA system upgrades, certifications, traceability, early warning systems and enhanced supplier compliance.

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Responsible and Resilient Ingredient Sourcing

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO – Sustainable Supply Chain Management				
Upstream Raw material and packaging suppliers and farmers **Midstream** Raw material and packaging sourcing	Ethical, resilient sourcing of raw materials and packaging inputs to ensure long term supply stability and trust.	Short/ Medium/Long	» Raw material suppliers and manufacturing operations.	» Supplier diversification, ESG monitoring, traceability, ethical sourcing programs, capability building and partnership development.

Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Consumer Foods industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures (SOPs) to manage such material topics, quarterly capture and tracking of key performance indicators based on the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards, and communication of the industry group performance to the Group Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Consumer Foods industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Consumer Foods industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Resilient Assets and Operations

Climate Resilience and Operational Continuity

The Beverages, Confectionery and Convenience Foods businesses operate in environments exposed to acute climate events such as floods, storms, lightning, and heatwaves, as well as chronic risks including long term temperature rise and altered rainfall patterns. These hazards affect manufacturing facilities, warehouses, cold chain systems, and distribution routes, leading to operational disruptions, increased maintenance requirements, and volatility in energy and logistics costs. To address this, businesses have invested in operational resilience measures such as freezer and temperature monitoring upgrades, mechanical reinforcements to refrigeration systems, and the installation of backup generators to mitigate grid instability. These operational measures are supported by predictive maintenance frameworks that enhance asset longevity and reduce the likelihood of temperature related spoilage. BCPs have been strengthened across the industry group, integrating updated climate assumptions and annual simulation exercises to ensure readiness. Supply chain reliability is enhanced through contingency sourcing, supplier diversification, and inventory buffering to withstand disruptions in raw material flow.

From a financial perspective, acute climate events already drive short term increases in repair costs, insurance claims, overtime, logistics rerouting expenses, and inventory losses. Over the medium to long term, higher resilience related capital expenditure, including investments in infrastructure upgrades, cold chain strengthening, and enhanced predictive monitoring systems are anticipated. These climate aligned investments are expected to result in reduced downtime, more stable cost to serve, lower spoilage related losses, and mitigated insurance exposure, supporting long term operational continuity.

Integrated People and Service Excellence

Workforce Capability, Automation and Operational Resilience

Labour shortages, skill gaps, and rising automation requirements directly influence the ability of the industry group to manage climate-related disruptions. Skilled labour shortages, especially in refrigeration, plant maintenance, and cold chain handling, elevate safety risks and affect production throughput when climate shocks occur. To address these gaps, all businesses have implemented targeted workforce planning, succession pipelines, and recruitment strategies. Extensive training is provided across automation, digital quality monitoring, environmental compliance, and ESG data management. The Convenience Foods business also implements gender inclusive shift structures to expand the available labour pool, while all companies in the industry group apply multiskilling frameworks and job rotation to build operational agility.

The financial impacts of labour related risks appear through historical reliance on overtime, temporary staffing, training expenditure, and safety related productivity losses. Anticipated long term financial impacts include capitalised investments in automation, increased training budgets, and restructuring costs required to align workforce capabilities with future technology and regulatory expectations. These investments, however, are expected to deliver lower incident related losses, higher productivity, and reduced dependency on overtime, positioning both businesses for sustained service excellence.

Sustainable Transitions and Resource Stewardship

Efficiency and Responsible Sourcing

Energy, water, waste, and responsible sourcing form the core pillars of climate transition for the Beverages, Confectionery and Convenience Foods businesses. The businesses face transition risks associated with rising energy prices, regulatory pressure to reduce emissions, and expectations to adopt lower carbon operations as well as the need for responsible and resilient ingredient sourcing to manage supply volatility and evolving ESG requirements. In response, energy efficiency programs such as chilled water optimisation, condensate recovery, and automated heat exchange controls are actively implemented. Renewable energy transitions, including solar photovoltaic (PV) integration, are incorporated into medium term capital expenditure planning. Water stewardship is strengthened through significant effluent treatment plant upgrades, biological treatment enhancements, and water reuse initiatives across the CCS and KFP manufacturing facilities. Waste reduction efforts include circular packaging initiatives such as the Gunadamin PET recovery programme by CCS, the biogas production using animal waste by KFP, and expanded recyclable material adoption across the businesses.

Responsible sourcing is strengthened through supplier engagement, audits, ESG compliance assessments, and diversification of the supplier base, supported by improved traceability and supplier data. Efforts are also being taken to increase local sourcing by 15% in locally sourced ingredients and packaging materials in the medium term, enhancing supply chain resilience and reducing cost volatility.

Current financial effects of these initiatives include moderate reductions in energy cost volatility, avoidance of regulatory penalties, lower waste disposal costs, and short term capital expenditure for process upgrades. Over the medium to long term, the businesses anticipate structural reductions in operating costs, greater stability in water treatment expenditure, enhanced eligibility for ESG linked financing, lower emissions driven cost exposure, and reduced compliance related financial risks all contributing to strengthened brand equity and resource efficient growth.

Ethical Governance and Digital Trust

Strategic Resilience through Governance

The industry group operates under the Group's governance architecture, where climate and sustainability oversight is integrated into strategic planning, capital allocation, and operational decision-making. Committees at Group, sector, and business unit levels ensure that climate risks and opportunities are considered in accordance with SLFRS S1 and S2 standard requirements. Integration with the enterprise risk management (ERM) framework ensures systematic prioritisation and monitoring of climate-related risks, with feedback loops embedded into BCP updates, supplier risk assessments, and long term planning processes. Anticipated deployment of AI based QA systems, enhanced traceability tools, and predictive analytics is expected to support early detection of food safety or climate sensitive deviations. Compliance with standards such as ISO 14001, ISO 22000, GMP, HACCP, and global GHG reporting protocols strengthens data integrity and transparency.

The financial implications associated with governance enhancements include ongoing costs related to compliance audits, monitoring systems, digital QA upgrades, and reporting processes. Over time, strong governance and digital trust are expected to protect margins by reducing recall driven losses, lowering compliance failure costs, and improving relationships with regulators and lenders.

Key Non-Financial Performance Indicators

During the year under review, the Consumer Foods industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Consumer Foods industry group were assessed based on the relevant GRI Standards and SASB standard key performance indicators.

GHG emissions and energy intensities of CCS declined by 20% each, while water utilisation intensity declined by 18% during 2025/26, reflecting improved resource efficiency driven by process improvements and operational initiatives amidst increased production volumes. Waste intensity remained stable at 0.01 kg per litre produced. Workplace accidents increased to 33 from 13, however, no high consequence injuries or fatalities were reported. Staff attrition increased marginally by 1%.

At Colombo Ice Company Limited (CICL), GHG emissions and energy utilisation intensity declined by 6% and 2%, respectively, while water utilisation intensity increased by 4%, reflecting higher production volumes alongside strengthened monitoring and control of resource use. Waste intensity increased to 0.05 kg per litre produced, mainly due to improved reporting mechanisms and more accurate tracking of disposal practices. Workplace accidents reduced to 1 from 4, with no high consequence injuries or fatalities. Staff attrition declined by 15%, in comparison to last year.

At KFP, GHG emissions, energy, water, and waste intensities declined by 2%, 10%, 2%, and 13%, respectively, reflecting improved operational efficiency amidst increased production volumes. Workplace accidents reduced to 2 from 5, with no high consequence injuries or fatalities reported. Staff attrition declined by 32% compared to the previous year.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Consumer Foods industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

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Initiatives

During the year under review, the Consumer Foods industry group undertook the following industry specific initiatives targeting its material sustainability impact topics and SRROs and CRROs.

Environmental Initiatives

- Supported plastic recovery and circular economy efforts through the Gunadamin initiative, strengthening local recycling ecosystems through material recovery facilities and public awareness, while creating livelihood opportunities, with total collections of 943.02 MT during the year. The Confectionery business strengthened environmental management practices, with CICL achieving ISO 14001:2015 Environmental Management System certification, reflecting its commitment to environmental stewardship.
- The Beverage and Confectionery businesses enhanced process and cooling system efficiency through targeted optimisation initiatives, including automation of chilled water bypass circulation in ammonia chillers, optimisation of ice cream hardening tunnel operations to reduce processing time, and installation of variable frequency drives (VFDs) to regulate cooling tower fan speeds, collectively delivering energy savings of over 60,000 kWh annually while maintaining product quality and operational performance.
- Reduced plastic consumption in operations, by replacing shrink wrap with reusable pallet wrapping cloths at the Ranala beverage plant, saving ~1,690 kg of polythene while maintaining product stability.
- Enhanced packaging sustainability and material efficiency, through transitioning to S-One (S1) aluminium can lids to reduce material use and lifecycle emissions, and converting lemonade bottles from green to clear PET, enabling over 80 MT annually to enter higher value, widely recyclable streams.

Social Initiatives

- The industry group maintained robust occupational health and safety management practices, with manufacturing facilities certified to ISO 45001:2018, ensuring alignment with international standards and safe working environments across operations.
- Strengthened responsible sourcing and human rights practices, integrating due diligence in supplier onboarding, promoting ethical standards and sustainable sourcing, and maintaining grievance mechanisms that enable employees and communities to report concerns confidentially, ensuring transparency and accountability.
- CCS procured produce valued at ~Rs.803 million from local farmers, contributing to income generation and community economic development.
- The Convenience Foods business strengthened local supply chain resilience, by rebuilding the pork supplier network following the African swine flu outbreak through farmer engagement, collaboration with government authorities, and technical support on resilient breeds and improved farming practices, while expanding poultry sourcing through closer partnerships with certified producers and secured supply agreements to ensure quality, stability, and continuity of supply.
- The business also supported community development through education and livelihood initiatives, including an English scholarship programme to enhance students' English proficiency and the *Praja Shakthi* – Ja-Ela mushroom cultivation project, empowering women and supporting sustainable income generation.

Outlook

The outlook for the Consumer Foods industry group remains positive, underpinned by improving consumer sentiment and a recovery in demand across key categories. The focus in the near to medium term will remain on consolidating volume growth while actively managing margin pressures arising from input cost volatility and product mix dynamics.

Portfolio optimisation and selective innovation is expected to continue, with an emphasis on the expansion of capacity in its core businesses as well as adjacent growth opportunities that enhance the relevance of the offering without materially increasing risk or capital intensity. Distribution strength will remain a strategic priority, particularly in categories where availability and cold chain penetration are key drivers of performance.

Capital investment is expected to increase considering key capacity enhancements over the ensuing few years on account of the strong demand dynamics and market opportunities. These investments will facilitate sustained momentum of the volume growth and brand loyalty for its product range and drive medium to long term value creation. The Group will focus on balancing the need to sustain growth and efficiency while managing free cash flow generation. Any expansion related investments will be evaluated within a disciplined capital allocation framework, ensuring that returns remain commensurate with risk.

The Group will also continue to evaluate selective partnership and market adjacent opportunities, including limited international exposure, primarily as sources of low risk, long term opportunities rather than near term earnings contributors. Overall, the Consumer Foods industry group is positioned to navigate near term cost and margin challenges while remaining focused on sustainable growth, operational resilience and disciplined capital deployment.

Key risks, trends and emerging opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment volatility*
  - Negative impacts on consumer demand and confidence
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
  - Potential increase in input costs stemming from geopolitical tensions, global impacts and domestic developments
  - Increase in power and energy costs
- Financial exposure*
  - Exchange rate volatility
- Global competitiveness*
  - Evolving consumer preferences
  - Increased demand for affordability and convenience impacting product offers and strategy
- Human resources related risks including talent attrition and employee health and safety*
- Environment and biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- New niche segments for unique flavours and functional ingredients
- Increase in snackification
- Emphasis on environmental sustainability, labelling prerequisites and sustainable packaging
- Premiumisation
- Technological integration, including artificial intelligence (AI), into food safety and product development
- Expansion into new international markets
- Shifts in consumer behaviour towards healthier alternatives
- Increase in tourist arrivals
- Demand in the urban areas seem to be relatively more inelastic in comparison to non-urban areas within the country

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Immediate to Short Term

Beverages

- The business is positioned to benefit from a continued recovery in consumer demand in the near term, supported by stable macroeconomic conditions and favourable seasonal trends, despite a temporary moderation from cost pressures to consumers due to geopolitical tensions.
- CSD are expected to deliver moderate volume growth, driven by sustained demand for core flavours and incremental contributions from recently launched products, including energy drinks.
- Distribution remains stable, with targeted initiatives underway to improve weighted and numeric distribution, supporting improved availability and market reach.
- Competitive intensity is expected to remain elevated, reinforcing the need for continued investment in brand building, trade marketing and consumer engagement to safeguard volumes and market presence.
- Consumption trends are expected to continue shifting towards PET packaging and cans, while smaller pack sizes are likely to remain relevant in an affordability conscious consumer environment.

Confectionery

- The business is expected to build on the volume base achieved during the year, supported by improving consumer sentiment and strong momentum from recent product launches, despite a temporary moderation due to higher overall costs to consumers from to geopolitical tensions.
- Growth in the near term is expected to be driven primarily by the single serve segment, following the introduction of extruded products, premium offerings and higher consumer engagement.
- Demand for multi-serve products is expected to remain resilient despite ongoing pricing sensitivity, supported by a balanced portfolio approach.
- Sustained market excitement is expected to be maintained through continuous innovation and regular refreshment of the product portfolio.
- The planned launch of a further eight to ten new products in the coming year is expected to strengthen market positioning and contribute to sustained growth momentum in the single-serve segment.
- Expansion of the multi-serve portfolio through the introduction of mid-range premium variants, including chocolate, vanilla and other flavours, is expected to broaden consumer appeal.

Convenience Foods

- The business is expected to sustain its recovery momentum in the near term, supported by continued volume growth across processed meats and the non-frozen foods portfolio. However, a temporary moderation is expected due to impacts on discretionary spend from cost pressures due to geopolitical tensions.
- Demand is expected to benefit from volatility in alternative protein prices, which has reinforced consumer preference for branded processed food offerings.

Consumer Foods Industry Group

Impact of the Middle East conflict

- Sri Lanka's reliance on imported inputs such as wheat, dairy, fuel and packaging materials exposes the sector to external cost pressures arising from supply uncertainties and price disruptions.
- Elevated geopolitical tensions continue to drive volatility in global energy markets, leading to higher fuel and transportation costs, thereby increasing manufacturing and distribution expenses.
- If the conflict remains sustained and uncertainty continues to prevail for a prolonged period, these cost increases are likely to have secondary impacts on consumer purchasing power through inflationary pressures.
- Domestic inflation has remained relatively subdued following post-crisis corrections; however, it is expected to gradually rise towards mid-single digit levels during CY2026, driven by external cost pressures and fuel price adjustments, although within the target levels as estimated by the Central Bank of Sri Lanka.
- Currency sensitivity to global shocks is expected to further contribute to imported inflation, placing additional pressure on industry margins.

Costs and margins

- Geopolitical tensions, particularly the conflict in the Middle East, may lead to foreign exchange volatility, potential supply disruptions, and increased input costs, which could exert pressure on margins, although overall exchange rates are expected to remain relatively stable.
- The increase of electricity tariff in April 2026 by ~11% and a further increase of ~18% in May 2026 for the second and third quarters of CY2026 due to significant increase in global fuel prices, will have an impact on overall costs. Businesses will continue to proactively monitor these changes and explore cost saving initiatives to optimise energy expenses.
- Increased competitive pressures will necessitate pricing and distribution strategies, operational efficiencies and effective cost management to maintain margins.

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» For the Convenience Foods business, while input cost volatility, particularly in meat prices, remains a key challenge, this is expected to be managed through disciplined procurement, selective imports and calibrated pricing actions to protect volumes and margins.

» Margins in the Confectionery business remained under pressure due to elevated raw material prices, higher advertising and promotional spend and the sales mix. However, margins are expected to improve as the business focuses on reinvigorating the portfolio and driving volumes through product innovation particularly in the single-serve segment.

Capacity enhancements

» The businesses will continue to focus on maximising the utilisation of existing capacity.

» As utilisation levels in the businesses near full capacity in some product categories in the short to medium term, strategic investment decisions will be essential to sustain growth. In the event the volume growth is sustained, selective capacity expansions will be required, where the funding of such investments can be managed through a mix of internally generated cash flows and debt funding.

» Incremental PET bottling capacity is being evaluated to support anticipated demand growth, with existing facilities operating at near-optimal utilisation levels.

» Investments in machinery to expand the portfolio of the non-CSD range is expected to be commissioned in 2026/27.

» The businesses continue to evaluate opportunities in adjacent categories, including extensions within the wellness ice cream range and a mid-range premium ice cream range, as well as dairy based and healthier beverage offerings.

Managing stakeholders and product responsibility

» Emphasis will be placed on maintaining rigorous engagement with suppliers and distributors to ensure a seamless supply chain, strengthening the procurement process, better management of working capital cycles and reduced credit risk exposure.

» Focus on further streamlining the distributor network to ensure greater stability and consistency for the future.

» Talent retention will be a key area of focus, particularly in light of increased job opportunities overseas.

» Investment in sustainability initiatives will continue, with a focus on expanding the network of material recovery facilities (MRFs) to further reinforce its commitment to responsible business practices.

Advanced analytics

» Emphasis will be placed on sustaining and enhancing the efficacy of the existing use cases deployed within the Beverages and Confectionery businesses, particularly those related to promotional spend optimisation, production planning and margin improvement across distribution networks.

» Additional benefits are anticipated from new use cases currently being piloted and in advanced development stages, with implementation expected during the upcoming financial year.

"Portfolio optimisation and selective innovation is expected to continue, with an emphasis on the expansion of capacity in its core businesses as well as adjacent growth opportunities that enhance the relevance of the offering without materially increasing risk or capital intensity."

Medium to Long Term

The businesses envisage continued growth driven by improving consumer confidence and macroeconomic stability. The strategic focus will remain on expanding distribution, product innovation, digital transformation and sustainability initiatives to capture emerging opportunities and create long term stakeholder value.

» Low market penetration presents significant growth potential.
  - The penetration of consumer food products in Sri Lanka continues to be relatively low in comparison to global and regional peers, demonstrating the significant potential in these industries.
  - Given the higher penetration within urban areas, the Group expects growth from the outskirts of the country to be a substantial driver of medium to long term growth, despite the lower base.
  - Businesses will capitalise on this opportunity by investing in its supply chain and augmenting its portfolio of offerings in line with evolving trends.

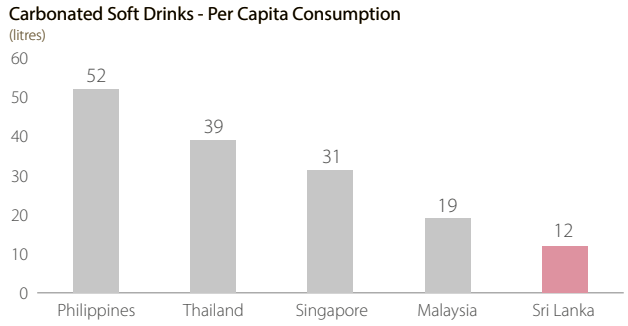
» Ongoing investment in digitisation and advanced analytics.
  - Digitisation initiatives are expected to deliver sustained productivity gains, cost savings, and support the identification of new growth opportunities.
  - Continued exploration of latent opportunities across the value chain and progressive extension of the analytics portfolio, underpinned by ongoing consolidation of data foundations that enable richer, cross-functional decision support.
  - Active exploration of frontier capabilities including generative AI, agentic decision systems, and adaptive optimisation positioning the business to incorporate these as the technology, governance, and operating context mature.

» Evolving consumer preferences.
  - The industry group has numerous long term opportunities given evolving consumer tastes and preferences which create niche, yet substantial, markets that would aid the businesses to innovate and explore more personalised offerings, such as witnessed through the Imorich brand of the Confectionery business.

Beverages

Insights

Low consumption patterns and penetration reflect potential for growth in the CSD market.



Source: Company research.

- Per capita packaged beverage consumption in Sri Lanka is well below regional and global averages highlighting the growth potential for the beverage market in the country.
- As a leading player in the beverages market, the Beverages business will leverage on its strong brand equity and distribution network to capitalise on this opportunity through a continuing pipeline of products.

The Beverages business will focus on the following:

- Continuing to develop its portfolio in line with evolving market trends, regulatory changes on calorific sugar content and sustainability imperatives with a focus on healthier and sustainable products.
- Consolidating its current CSD portfolio, such as the new range of canned flavours and discontinuing non-performing SKUs.
- Prioritising the extension of the current non-CSD range, based on market opportunities.
- Consolidating and stabilising distributor networks whilst improving sales force efficiency through digital means.
- Exploring new operating models, alternative marketing channels and methods of engagement to adapt to changing consumer behaviour and digitisation trends.
- Expanding export markets to increase reach and leveraging the Indian market entry to diversify revenue streams.

CSD Portfolio Composition

- The share of CSD as a proportion of total beverages is envisaged to proportionately reduce in the long term in line with the trends witnessed in recent years. However, the prospects for the beverage industry continue to be promising and provide opportunities for growth as the consumers seek alternate beverage options.
- CSD manufacturers worldwide continue to engage in reformulation exercises with the aim of reducing the sugar content of their products and adopting sustainable packaging, whilst extending the portfolios to include non-CSD beverages which are healthier and more nutritious.

Confectionery

Global frozen confectionery markets have witnessed significant growth in recent years, supported by rapid urbanisation, rising disposable incomes and shifting lifestyle preferences. The overall prospects for the frozen confectionery market in Sri Lanka remain positive and this growth momentum is expected to continue over the medium to long term.

Consumers seeking affordable indulgences continue to drive steady demand for mass market ice creams, while traditional flavours remain highly popular. Additionally, the expansion of the tourism sector is boosting demand for premium ice creams. This growth momentum is expected to continue over the medium to long term.

Ice cream consumption in Sri Lanka at ~4 litres per capita is well below global averages, demonstrating the significant potential for growth in this market. In line with global and regional peers, the business expects a gradual shift in the multi-serve to single-serve mix towards single-serve products, with single-serve products being the primary driver of the envisaged increase in per capita ice cream consumption in Sri Lanka.

Sri Lanka's ice cream industry is forecast to grow from USD 169.7 million in 2025 to USD 249.7 million by 2030, reflecting a CAGR of ~8%.

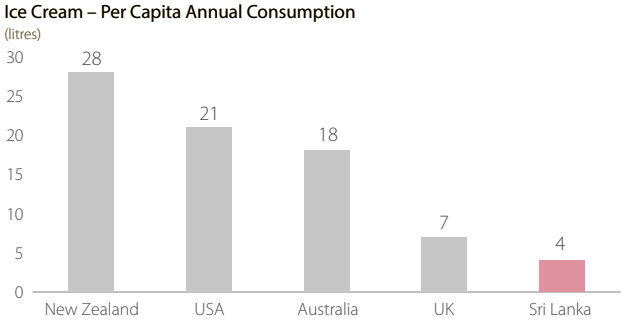
Source: StrategyHelix Group - Sri Lanka Ice Cream Market 2025-2030.

Other trends expected for the business:

- Digital-first boutique brands are expected to scale through online channels and dark store freezer models, accelerating digital transformation across the category.
- Continued shift towards premiumisation and product differentiation as players seek to tap into long term category growth.
- The industry's sustained growth outlook is expected to attract additional players seeking to capitalise on premiumisation and niche flavour segments.

Insights

Low ice cream consumption levels in comparison to foreign markets.



Source: WorldAtlas (2024).

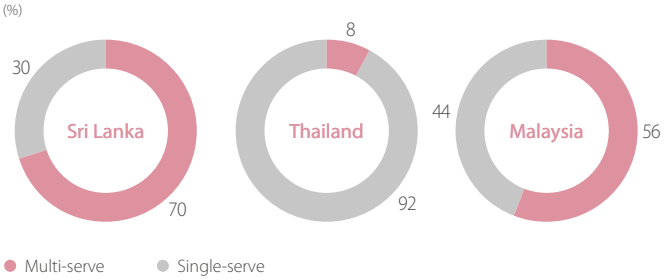
INDUSTRY GROUP REVIEW

CONSUMER FOODS

Insights

The multi-serve to single-serve mix of regional markets is highly tilted towards the single-serve market, demonstrating the significant potential for the single-serve category in the overall ice cream market of Sri Lanka.

Multi-serve:Single-serve Mix of Regional Markets



Source: Company research.

The Confectionery business envisages a similar trend for its portfolio in the long term, in line with the overall market tilt towards single-serve products.

The strategic priorities of the Confectionery business are:

- Consolidating its current Confectionery portfolio, including the expansion of the 'Wellness' range to meet rising consumer demand for healthier indulgence and on flavour innovation to improve product differentiation and consumer appeal.
- Continued expansion of the product offering through adjacent categories in the confectionery space.
- Investing in the distribution chain to increase outlet penetration and optimise reach, while enhancing distributor network efficiency. Distribution capabilities are expected to be strengthened through investments in distributor capacity, including cold storage and fleet expansion.
- Extending operations at the Seethawaka state-of-the-art facility, enabling innovative product development, improved operational efficiencies and enhanced margins.
- Digitisation and process improvements, especially the implementation of lean initiatives at factories and leveraging data and advanced analytics.

Convenience Foods

The Convenience Foods business will continue to innovate and expand its portfolio offering. Emphasis will also be placed on staying abreast of market trends and changes in the competitive environment, which is expected to continue seeing the entry of smaller players.

The strategic priorities for the business are:

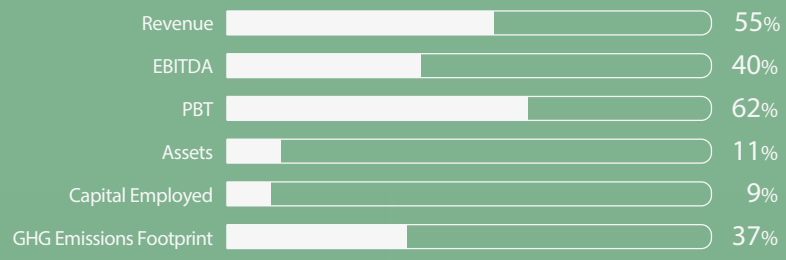
- Develop product extensions to expand market share, with a focus on convenient and affordable meal options that cater to evolving consumer preferences.
- Focus on consolidating the non-frozen distribution network and sales force to ensure readiness to cater to the envisaged growth in volumes.
- Emphasis on growing the modern and general trade channels, particularly the organised small and medium entities under general trade, thereby increasing footprint.
- Continue to augment and diversify the product portfolio to address emerging market trends and consumer demands.
- Expanding presence internationally, particularly in geographies where Sri Lankan expatriates reside, increasing bespoke solutions offered to outlet networks and caterers as well as the successful expansion of its export business.

RETAIL

Business Model

The Retail industry group of the Group operates a diversified business model focused on consumer retail, distribution, office automation, and sustainable mobility solutions, supported by strong brand partnerships and an extensive distribution network. JKH holds controlling ownership in its key entities, with Jaykay Marketing Services (Private) Limited (JMSL) and John Keells Office Automation (JKOA) operating as majority and fully owned subsidiary, respectively, driving core retail and technology solutions, while John Keells CG Auto (Private) Limited (JKCG) is a joint venture.

Contribution to the John Keells Group





Industry Group Structure

Supermarkets

- JMSL operates the Keells chain of modern retail outlets and the Keells Nexus loyalty programme.
  - 147 outlets across the island as at 31 March 2026.
  - ~2.8 million Nexus loyalty card members.
  - 10 collection centres across the country working with ~3,500 active farmers.
  - Employment for ~6,500 individuals.
- The state-of-the-art distribution centre (DC), under LogiPark International (Private) Limited (LPI), centralising JMSL's offerings across the dry, fresh, and chilled categories.
  - A warehouse area of ~260,000 sq. ft.
  - Capacity to cater to over ~250 outlets.
  - Employment for ~600 individuals.

New Energy Vehicles

- JKCG is the authorised distributor of new energy vehicles (NEVs) manufactured by BYD Auto Industry Company Limited, China (BYD), including the premium DENZA range.

Office Automation

- JKOA is the authorised distributor for Office Automation and world-renowned IT-enabled brands and is a market leader in providing print solutions for corporates. Brands offered include:
  - Samsung – a range of smartphones, tabs, HTV, and digital signage.
  - Toshiba – a range of black and white, colour range of multifunctional printers.
  - Asus – commercial series of notebooks and desktops.
  - Other products include laser printers, smart board and educational solutions, digital duplicators, cash counting machines and multimedia projectors from a variety of world class brands.

Refer the Group Directory section for the equity holdings of the businesses – page 582.

INDUSTRY GROUP REVIEW

RETAIL

		2025/26	2024/25	2023/24
Operational Highlights				
Same store sales growth	%	14.0	11.1	10.0
Same store footfall growth	%	14.3	14.5	12.3
Average basket value	%	(0.8)	(0.3)	(0.1)
Financial and Manufactured Capital				
Revenue	Rs.million	313,921	138,337	122,502
EBITDA	Rs.million	31,744	10,949	8,767
EBIT	Rs.million	27,427	7,406	5,461
PBT	Rs.million	23,295	5,202	2,938
PAT	Rs.million	17,086	3,701	2,056
Total assets	Rs.million	99,795	56,921	52,103
Total equity	Rs.million	21,524	7,814	5,358
Total debt [1]	Rs.million	41,472	24,473	14,687
Capital employed [2]	Rs.million	62,995	32,287	31,375
Natural Capital				
Energy consumption	GJ '000	337.66	302.67	303.75
Energy consumption per Rs.million of revenue	GJ/ Rs.million	1.07	2.15	2.43
GHG emissions footprint	tCO_2e	69,846	57,521	49,360
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	0.22	0.41	0.40
Water withdrawal	Cubic meters (m^3)	366,174	301,478	287,290
Water withdrawal Rs.million of revenue	m^3/ Rs.million	1.16	2.15	2.30
Volume of hazardous waste generated	kg	-	-	101
Volume of non-hazardous waste generated	kg '000	7,623	5,467	4,617
Waste generated per Rs.million of revenue	kg/ Rs.million	24.06	38.91	37.00
Human Capital				
Total workforce	No.	9,640	8,978	7,375
Total employees	No.	8,138	7,311	6,417
Total contractor's personnel	No.	1,502	1,667	958
EBIT per employee	Rs.million	3.37	1.01	0.85
Average training per employee	Hours	26.56	28.33	16.42
Total attrition	%	101.59	106.35	94.94
Female employees	%	49	48	46
Total number of injuries	No.	176	231	176
Social and Relationship Capital				
Community services and infrastructure projects [3]	Rs.'000	38,128	17,872	15,234

1. *Excludes lease liabilities.*
2. *Includes lease liabilities*
3. *Only the contribution to John Keells Foundation.*

Value Chain

The value chain spanning the Supermarket business (JMSL and LPI), New Energy Vehicles (JKCG) and Office Automation (JKOA), as illustrated below, covers interconnected upstream sourcing, inbound logistics, storage and distribution operations, quality and safety systems, customer facing retail networks, and after-sales support. Each business operates through distinct, yet interlinked processes with exposure to operational, regulatory, climate-related, cybersecurity, and environmental, social and governance (ESG) considerations that influence cost structures, service reliability, resilience, and competitive positioning.

	JMSL/ LPI	JKCG	JKOA
Upstream			
Sourcing of key materials			
	Agricultural suppliers and other suppliers	Vehicle manufacturers and material import partners, electric vehicles (EV) battery and charger suppliers	Mobile phones, office automation equipment and consumables suppliers
Sourcing of packaging materials			
	Plastic, cardboard, paper and shrink wrap suppliers	Multilayer protective packaging, foam inserts, pallet systems and specialised transport frames including dangerous goods (DG) cargo handling	Plastic, cardboard, paper and shrink wrap suppliers
Operational inputs and utilities			
	Utility providers, collection and distribution centres and cold chain partners	Utility providers, warehousing services providers, logistics partners and utility providers	Utility providers, warehousing services providers, logistics partners and utility providers
Midstream			
Core operations			
	Core store operations, head office functions and facilities management, omnichannel operations	Vehicle yard handling, showroom operations, service hub workflows, technical workshop processes, inspection cycles, cleaning operations and management of utility dependent operational activities	Stores and product handling, storage, bulk goods logistics, automation and space optimisation
Product quality assurance process			
	Food safety procedures, quality assurance processes, hygiene controls and temperature monitoring systems	Vehicle quality assurance, software updates, vehicle diagnostics and vehicle and battery health checks	Automation and warehouse systems, services and repairs and central operations
Waste management			
	Handling of expired goods, disposal of damaged products, waste segregation, plastic recycling initiatives, and adherence to hazardous material handling protocols	Battery recycling, waste oil processing, recycling units through principal, disposal of units and waste water management	E-waste processing, recycling of returned units and safe disposal of electronics

	JMSL/ LPI	JKCG	JKOA
Midstream	**Workforce and health and safety management**		
	Equipment handling, safety procedures, incident prevention, facility safety compliance and logistics safety	Capabilities in EV servicing, battery diagnostics, software-based troubleshooting, service centre operations, EV safety certifications, and adoption of automation tools	Technical handling skills, configuration and troubleshooting skills, installation support capability, warehouse and retail training, automation and digital tools proficiency
	Consumer segmentation and marketing		
	Advanced analytics for segmentation and marketing, merchandising and category management teams	Customer profiling across commuter, family, and fleet segments, evaluation of EV performance expectations, pricing sensitivities, demand for digital connectivity and sustainability considerations in purchase decisions	Consumer insights and marketing merchandising and category management teams
	Customer engagement process		
	Customer engagement and brand management teams including the management of returns	Customer engagement and brand management teams	Customer engagement and brand management teams
Downstream	**Channel and outbound logistics**		
	Logistics and distribution partners and franchise retail store and omnichannel operations	Use of specialised carriers, dealership operations and third-party charging infrastructure	Logistics and distribution partners, supporting retail and e-commerce, business-to-business (B2B) and institutional deliveries, route optimisation and multichannel fulfilment



External Environment and Operational Review

Macroeconomic Update

- Sri Lanka sustained its economic growth trajectory during the year under review, supported by robust macroeconomic fundamentals and improving confidence across key sectors. Business and consumer sentiment strengthened further, aided by stable monetary conditions and expanding private sector credit.
- Based on the Central Bank of Sri Lanka (CBSL) statistics, consumption expenditure estimates, at constant prices in CY2025, increased at a moderate rate driven by an increase in overall economic activity and a gradual increase in inflation.
- Impact from Cyclone Ditwah: While the operations of the businesses were disrupted during the few days and immediate aftermath of the cyclone, there were no significant operational or financial impacts as a direct result of the cyclone and related flooding. 13 supermarkets were temporarily disrupted with operations resuming after a few weeks. Two supermarkets remain closed as of the end of the financial year.

For a detailed discussion, refer the Operating Environment section of the report – page 41.

Key Policy and Regulatory Highlights

- An Extraordinary Gazette issued on 30 January 2026 amended the Shop and Office Employees Act to permit women aged 18 and above to work night shifts (6 p.m. – 6 a.m.) in sectors including hospitality, food and beverage services, and related establishments, subject to mandatory employer safeguards on safety, transport and welfare.
- Electricity tariffs for the food and manufacturing sector were revised upwards, by 16% on average, in June 2025, in line with the cost reflective pricing mechanism.
- The national minimum wage increased to Rs.27,000 per month (Rs.1,080 daily), effective 1 April 2025, with a further rise to Rs.30,000 per month (Rs.1,200 daily) from 1 January 2026, across all industries and services.
- Sri Lanka introduced a mandatory charge on polythene shopping bags effective 1 November 2025, eliminating free distribution and requiring retailers to charge per bag to discourage single-use plastic consumption.
- Supply of helium, a critical, non-substitutable resource for semiconductor cooling, with demand rising from AI and advanced chips, remains constrained and vulnerable due to geographic concentration and recent disruptions, driving price volatility and production risks despite growing recycling and alternative efforts.

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Supermarkets

The Supermarket business delivered a robust performance during the year, with ~14% growth in same store sales driven by footfall growth of ~14%. A number of initiatives such as enhancements in the fresh category, improvements to the prepared food offering, and better product availability resulted in growth in same store footfall from both existing and new customers, as explained in detail in the ensuing section. This was further supported by the benefits derived from the use cases under the data and advanced analytics transformation programme. Margin improvement relative to competitors was also enabled through advanced analytics initiatives across key operational areas, complemented by productivity enhancements, cost efficiency measures and effective supplier negotiations.

Key performance indicators pertaining to the Supermarket business:

%	2025/26	2024/25
Same store sales growth (net)	14.0	11.1
Same store footfall growth	14.3	14.5
Average basket value (ABV) growth	(0.8)	(0.3)

2025/26 (%)	Q1	Q2	Q3	Q4
Same store sales growth (net)	13.9	13.8	14.3*	14.2
Same store footfall growth	16.6	19.3	13.2*	8.6
ABV growth	(3.1)	(5.2)	0.6	4.7

**Impact of 13 flood affected outlets have been excluded.*

» Growth in same store footfall was driven by both existing and new customers through initiatives undertaken to attract customers.
- The business continued to witness the conversion from general trade to modern trade, driven by enhanced pricing efficiencies arising from scale and backward integration, a diversified product offering across multiple price points and the Keells Nexus loyalty programme, which significantly contributed to increased footfall.
- Initiatives in fresh categories contributed to improvements in fresh pricing, the enhancement of the prepared food offering and availability, which in turn attracted new customers, increased shopping frequency of existing customers and supported a higher overall margin.

» The ABV is derived based on the weight of purchase (WOP) representing the average number of items in a basket and the retail selling price (RSP), with the WOP and inflation having an inverse relationship.
- Growth in ABV was negative in the first half of the year due to a marginal decline in both the WOP and RSP. The range of initiatives undertaken by the business aimed at increasing footfall have successfully elevated the frequency of customer visits, although this shift in behaviour has resulted in reduced spend per visit, cumulative customer spend has increased.
- The second half of 2025/26 recovered to positive levels, with the third quarter recording a positive ABV for the first time since the fourth quarter of the last financial year. The growth in ABV was driven by an increase in the WOP and to a lesser extent by an increase in retail selling prices.

While the aforementioned factors resulted in a net positive impact on same store sales, the initiatives undertaken by the business to drive footfall and also provide higher value and range for its customers, ensured a higher proportion of the spend remained within the Keells outlet network. Effective promotional campaigns, expansion of the omnichannel offering and investments in upgrading existing standard outlets which offer a greater range of products to customers and introduction of star products to the prepared food category also benefited overall same store sales. These initiatives, together with margin improvement, were further supported through various advanced analytics initiatives undertaken by the business in key operational areas including supply chain, marketing and daily operational functions.

During the year under review, cost pressures from electricity remained elevated due to an increase in tariffs in June 2025. To ensure improved product availability across outlets throughout the day and drive higher customer footfall, the business consciously increased stock availability, although this resulted in higher wastage costs.

Whilst the impact of Cyclone Ditwah temporarily disrupted operations across 13 outlets, most of these were operational by early December with only two outlets remaining closed at year end.

The ensuing section summarises the initiatives undertaken by the Supermarket business to drive performance.

Product and Process Initiatives

» **Advanced analytics transformation programme:**
- The customer-centric reframing of existing use cases will continue, with focus on strengthening synergies across the deployed portfolio so that the benefits of each are reinforced by the others.
- Exploration of agentic AI opportunities will continue, with selected use cases progressively converted into agentic workflows to embed decision-making more directly within operational processes, while preserving the governance and value-assurance principles established across the programme.
- During the year, the business placed increased emphasis on developing a deeper and more nuanced understanding of its customer base, covering a more structured segmentation to better identify distinct needs and expectations. Investments were also made in enhanced customer feedback mechanisms, enabling the timely capture of insights and supporting faster, more informed decision-making.

» **Collection centres:**
- Expanded sourcing locations to minimise supply chain disruptions and improve product availability and freshness, thereby delivering enhanced value to customers.
- Established a collection centre in Norochcholai, further strengthening the Group's collection centre network and expanding direct access to farmers for fresh produce.
- Introduced the Pick Up sourcing strategy in June 2025, integrating over 25 remote farming communities across Sri Lanka into the direct procurement network. By bypassing traditional intermediaries, the initiative optimised cost structures, enhanced supply chain resilience, and improved market access for farmers, enabling the sourcing of over 325,000 kg of fresh produce as at March 2026.

» Own label penetration:

- Increased penetration of the own label range, which is typically priced ~10% lower than comparable brands, to provide customers with alternative 'value for money' options and wider choice.
- The own label portfolio consists of over 350 products spanning across 90 categories. During the year ~50 new products were launched. Further, the own label brand established its presence in new categories such as instant noodles, french fries, processed cheese and drinking yoghurt.
- Continued implementation of quality control processes which monitors both products and the manufacturing environment to maintain high quality standards.
- Own label products accounted for ~6% of revenue in 2025/26 [2024/25: ~5%].

» Sourcing imported products:

- Continued with the direct import strategy, which aims to offer a range of products at affordable price points by directly liaising with manufacturers, thereby offering a wider selection of choice for customers, at value, by eliminating any intermediary costs.
- The imported product portfolio includes over ~240 products. During the year ~110 products were introduced under various food categories.

» Marketing and promotions:

- Rolled out seasonal value campaigns under the 'Freshness at the Lowest Price' theme during June and August 2025, and January and February 2026, reinforcing the value and freshness proposition.
- Launched the Keells own label promotional campaign 'Pick it, Drop it, from Keells to Cart!', highlighting over 350 Keells own label products and strengthening own label penetration and value perception.
- Continued with personalised promotions and other initiatives based on customer needs such as bank promotions.
- Introduced product promotions where deep discounts are offered on different items to customers daily.

» Supply chain management:

- Strengthened and expanded the bulk purchasing strategy to optimise procurement costs and ensure a consistent supply.
- Enhanced the demand forecasting model and leveraging on machine learning tools to improve stock availability based on outlet sales.
- Centralised forecasting, ordering and delivery processes across multiple product categories by integrating with the order management system, improving inventory visibility, sourcing capabilities and availability across the outlet network.
- Improved fill rates across second-tier categories through initiatives such as rolling forecasts, volume commitments and the scaling-up of small-scale vendors.

» Distribution Centre:

- The state-of-the-art centralised DC in Kerawalapitiya continued to play a vital role in streamlining operations and ensuring optimum inventory management across the fresh, dry, chilled and frozen categories.
- The expansion of commercial operations and increased efficiencies at the DC contributed positively to the performance of the Supermarket business in terms of cost effectiveness.
- Health and safety across DC operations remained a key focus, with continuous improvements driven through comprehensive safety drills and safety stand-down sessions for DC and transport teams. These initiatives contributed to a sustained reduction in lost-time incidents and reinforced a strong safety culture.
- Significant enhancements were implemented in overall quality management through 6S workplace improvement initiatives, ISO 45001:2018 and ISO 9001:2015 audit readiness programmes, the establishment of a structured food safety supplier audit process, and ongoing mandatory medical screenings for food handlers.

» Omnichannel strategy initiatives:

- The omnichannel ecosystem was seamlessly strengthened to meet evolving, customer centric requirements, with the expansion of Uber Eats and PickMe Food coverage from 70 in the previous year up to 100 outlets nationwide. The introduction of Uber Grocery marked a first of its kind initiative for the business, further enhancing digital accessibility.
- Last mile delivery capabilities were expanded through the Keells Riders App across over 75 outlets, enabling more efficient coordination between in-house teams and delivery partners, and ensuring faster and more reliable service for customers.
- Keells Online continued to demonstrate strong platform stability and performance, enabling customers both locally and overseas to conveniently support their families through trusted grocery orders. Consistent service levels, quality products, and dependable delivery and click and collect options contributed to a growing and loyal customer base.
- The expansion of digital touchpoints has unlocked new avenues for customers to engage with the brand, tailored to diverse lifestyles, shopping missions and needs.

» Expanded to a total of 44 EV charging facilities across key Keells supermarket locations, supporting sustainable mobility while enhancing customer convenience and increasing in store dwell time.

Launch of the Nexus App

Keells marked a significant step in its digital journey with the launch of the Keells Nexus App, a unified platform that seamlessly integrates loyalty, personalised promotions, and enhanced customer engagement. The application is designed to strengthen customer retention while enabling more data-led decision-making across pricing, assortment, and promotional strategies.

Key features include the ability for customers to browse promotions and plan their shopping in advance, access to exclusive partner deals and QR based registration for Nexus members at checkout. The app saw strong early adoption, recording over 200,000 downloads within just one and a half months of launch.

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Outlet Expansion

With the stabilisation of the macroeconomic environment, the business continued its outlet expansion during the year. Nine new outlets were opened during the year, whilst two outlets were closed, bringing the total count to 147 outlets as at 31 March 2026. The business plans to open at least 10 outlets for the upcoming year, with seven new outlets currently under construction and further locations earmarked for construction in the ensuing quarters.

To expand its brand and outlet network, the business operates a range of outlet formats, predominantly the 7,000 sq. ft. format, customised to reflect local income demographics, market maturity and the prevailing competitive landscape.

New Food and Beverages Offerings for 2025/26 in the Outlets

The business launched a structured modular and product expansion strategy across the prepared food category during the year under review.

Modular architecture introduced:

Module	Key Offerings
Chicken	Crispy chicken, burgers, roast chicken and french fries
Pizza	Single-serve pizza and baked pizzas
Sweet Treats	Desserts, cakes, waffles, milkshakes, bubble tea and 90+ SKUs

Further category strengthening initiatives were also executed. The doughnuts counter, which continued to perform strongly, was expanded to 100 outlets by September 2025 in response to sustained customer demand.

Collectively, these initiatives established a scalable operating blueprint, strengthening the foundation for accelerated revenue growth and supporting long term, network wide expansion.



Expansion of doughnut counters.

Awards and Accolades

- Received the following awards at SLIM Digis 2025:
  - Silver for 'Best Performance Marketing Campaign'
  - Bronze for 'Best Use of Creator/Influencer Content'
  - Two merit awards for 'Best Use of Digital in a Marketing Campaign for E-Commerce/ Online Based Businesses' and 'Best Use of Digital in a Marketing Campaign for Retail (Grocery, Clothing, Consumer Durables) Brands'
- As per the Brand Finance Rankings for 2025, Keells became the 'Strongest Brand in Sri Lanka' with a AAA+ brand strength rating while also being rated the 'Most Valuable Supermarket Brand in Sri Lanka', ranking in seventh place overall with a brand value of over Rs.22.73 billion.
- Winner in the 'Other Service' category at the National Business Excellence Awards by the National Chamber of Commerce.
- Awarded Silver at the Drum Awards for Marketing APAC 2025 in Singapore for the AI video commercial created as part of the *'Ada Keells Eken Kamu'* social media campaign.
- Received the 'Reels Impact Award 2025' for 'Best of Innovation and Generative AI' at the Meta Reels Awards 2025.
- Received the Merit Award at the National Quality Awards for excellence in quality management.
- Received Bronze for 'Influencer Marketing' and Merit for 'Performance Marketing' at the SLIM Effie Awards Sri Lanka.

New Energy Vehicles

The year under review marked a key milestone for the Group with the commencement of revenue and profit recognition from its New Energy Vehicles (NEV) business, JKCG. With effect from 1 April 2025, JKCG was recognised as a subsidiary of the Group, with full consolidation of its financial statements with that of the Group. The Group's effective ownership of JKCG remains at 50%.

Order intake during the period exceeded initial expectations, resulting in an encouraging order book. A total of 10,081 vehicles were handed over to customers as of 31 March 2026. JKCG, in collaboration with BYD, implemented measures to optimise the order-to-delivery cycle to support a smoother customer experience.

The reopening of vehicle imports after nearly five years of restrictions led to a release of significant pent-up demand, which supported robust sales momentum, particularly in the early part of the period. While new vehicle sales moderated to an extent as this pent-up demand began to taper in the latter part of the year, order activity re-elevated, due to higher customer interest and order placement during the fourth quarter, in response to fuel related disruptions stemming from the conflict in the Middle East.

As a new entrant to the market, BYD, captured a significant proportion of the market during its first year of operations, reflecting the strength of the product offering and growing customer confidence in its quality and value proposition. Leveraging growing brand recognition and a compelling EV value proposition, BYD is expected to sustain a strong market position going forward.

Throughout the year, the business introduced a range of BYD models across multiple segments and price points, to remain competitive and relevant within a broadening NEV market. New models were selectively rolled out to address diverse customer segments and affordability thresholds, supporting wider market participation. The introduction of the BYD Sealion 6, BYD Seal and BYD Shark strengthened the offering in higher-value segments, while the Atto 3, BYD Sealion 5 and BYD Dolphin expanded the more affordable mid-tier segments. In addition, the business also introduced attractively priced entry level models such as the Atto 1 and Atto 2 in November 2025, which recorded encouraging momentum.

The DENZA range, which is the premium NEV brand wholly owned by BYD, was launched during the third quarter of 2025/26. The introduction of DENZA further broadened the Group's NEV offering, extending its presence into luxury segments of the market and reinforcing its positioning across a wider spectrum of customer preferences.

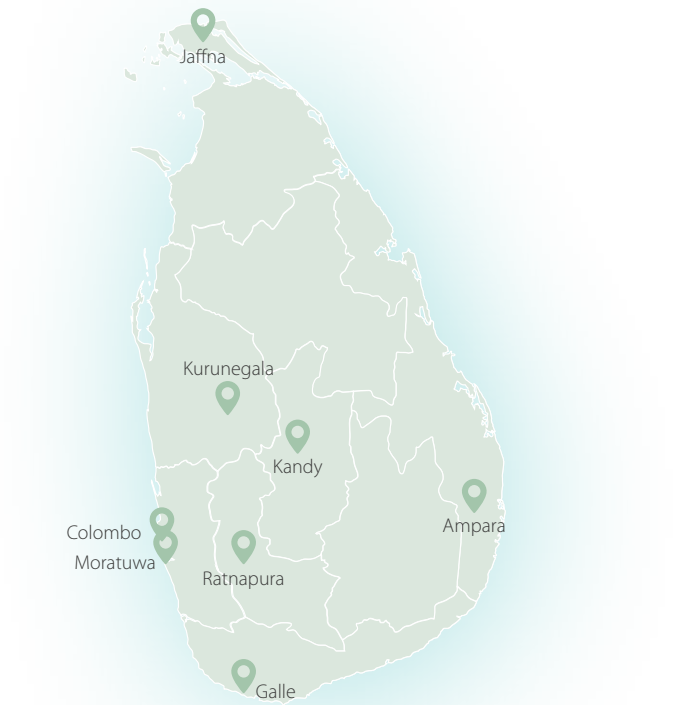
EV Import Regulatory Environment

During the second half of 2025/26, the business encountered certain challenges in clearing EV models through Sri Lanka Customs, arising from a dispute relating to the interpretation of motor power. JKCG has contested the basis on which Customs withheld clearance and sought interim relief from the Court of Appeal of Sri Lanka for the release of the said vehicles. Subsequently, Sri Lanka Customs released these shipments against the provision of a bank and corporate guarantee by JKCG, pending final resolution of the matter.

JKCG has submitted globally accepted manufacturer specifications and compliance documentation provided by BYD and has fully cooperated with the relevant authorities throughout the process. JKCG is actively engaged in resolving the matter concerning BYD electric vehicles that were detained by Sri Lanka Customs. In addition, JKCG has proposed independent testing at an internationally accredited motor laboratory to facilitate an objective and permanent resolution.

While these developments temporarily affected EV sales, strong customer interest in BYD's hybrid models and lower price segments helped sustain sales momentum. JKCG remains committed to achieving an expeditious and lasting resolution to the matter, thereby enabling customers to benefit from a broader range of BYD vehicles and supporting the advancement of sustainable mobility in Sri Lanka.

During the year, JKCG expanded its customer reach through showroom openings in Kurunegala, Moratuwa and Ratnapura increasing the total showroom count to nine and expanded its aftersales network in Colombo, Kurunegala, Wattala and Seeduwa. The BYD service centres in combined, surpassed 10,000 completed vehicle services during the period.



JKCG showroom locations.

The business further continued to optimise the Keells supermarket network and other business locations across the country to create the necessary ecosystem required for the NEV business. A total of 44 EV chargers have cumulatively been installed as at the end of the financial year at key Keells supermarket locations, augmenting the on-going expansion of the charging network by other players. JKCG is also enhancing its service capabilities and capacity to support the faster than expected ramp-up in vehicle sales. In response to strong order intake, the business strengthened both its sales force and after-sales operations, alongside investments in customer relationship management software and spare parts management systems, aimed at improving delivery responsiveness, service turnaround times and overall customer experience, while addressing initial challenges encountered during the scaling phase and supporting more sustainable operational efficiency going forward.



Launch of Atto 1.



Launch of DENZA, the premium NEV range.

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Office Automation

The Office Automation business witnessed a growth driven by mobile phone sales supported by the expansion of the product portfolio through new partnerships and product introductions. This was further complemented by the strengthening of service operations, with a continued focus on enhancing customer experience and process improvements. Market conditions remained competitive, with price sensitivity influencing purchasing behaviour across key product categories, including mobile devices, notebooks and photocopiers.

Operational priorities during the year were centred on maintaining market presence, managing inventory prudently and managing operating costs. The business continued to focus on optimising its cost structure and preserving margins amid fluctuating demand conditions, while leveraging existing supplier relationships and distribution channels. Digitisation initiatives were also rolled out aimed at augmenting automation and reporting tools to facilitate data-driven decision-making and improved efficiency. Customer engagement was further strengthened through the use of digital platforms.

New Initiatives

- Established a strategic partnership with GBC (ACCO Brands) to introduce paper shredders and laminators to the JKOA product portfolio.
- Expanded the product portfolio with the introduction of online (high-capacity) UPS systems.
- Launched a new mobile handset brand, Tecno.
- Introduced equated monthly instalment (EMI) schemes for mobile customers in partnership with Helios, improving affordability and customer access.
- Completed a comprehensive customer satisfaction and feedback survey to support insight-led service enhancements, with targeted service excellence initiatives and process improvements identified to enhance customer experience, strengthen loyalty and drive continuous improvement.
- Progressed towards achieving ISO 9001:2015 Quality Management System certification, to further strengthen quality assurance and operational standards.

Financial Performance Review

The discussion in this section is framed by the external environment and operational performance discussed previously, together with the non-financial considerations outlined in the section that follows.

Income Statement Indicators

Rs.million	2025/26	2024/25	%
Revenue			
Supermarkets	146,490	124,349	18
New Energy Vehicles	150,491	1*	N/A
Office Automation	16,940	13,987	21
Total	**313,921**	**138,337**	**127**
EBITDA**			
Supermarkets	12,093	9,779	24
New Energy Vehicles	18,296	(180)*	N/A
Office Automation	1,354	1,350	0
Total	**31,743**	**10,949**	**190**
PBT***			
Supermarkets	6,127	4,224	45
New Energy Vehicles	16,158	(180)*	N/A
Office Automation	1,010	1,157	(13)
Total	**23,295**	**5,201**	**348**

**In 2024/25, the New Energy Vehicles business (JKCG) was accounted as an equity accounted investee and from 1 April 2025 onwards JKCG was recognised as a subsidiary of the Group.*

***EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

****Share of results of equity accounted investees are shown net of all taxes.*

Supermarkets

Performance of the business across the quarters:

2025/26	Q1	Q2	Q3	Q4	Full Year
Net same store sales (%)	13.9	13.8	14.3*	14.2	14.0
Revenue (Rs.million)	35,179	35,480	37,909	37,922	146,490
Revenue growth (%)	17	18	18	18	18
EBITDA (Rs.million)	2,446	2,390	3,222	4,035**	12,093
EBITDA growth (%)	21	11	24	35	24
EBITDA margin (%)	7.0	6.7	8.5	10.6**	8.3

**Impact of 13 flood affected outlets have been excluded. As at 31 March 2026, only two of the affected outlets remained closed.*

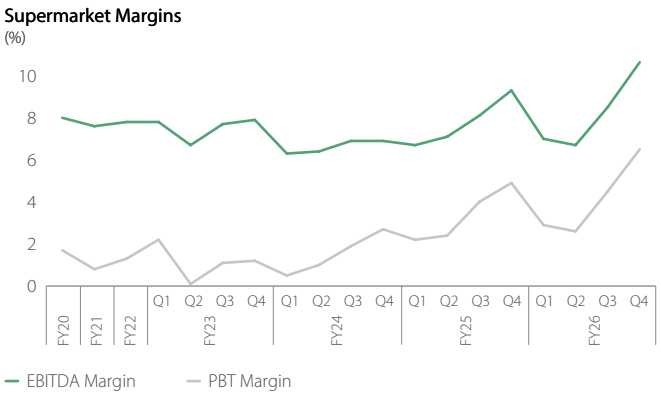
***Includes promotional income and rebates from suppliers, which is typically seen in the fourth quarter.*

- As outlined in the External Environment and Operational Review, the Supermarket business recorded strong growth in revenue, driven by double-digit growth in same store sales driven by an increase in footfall.

» In addition to the growth in revenue, EBITDA growth was supported by an improvement in margins. Margin improvement was driven through benefits accruing from the use cases under the data and advanced analytics transformation project, as well as the economies of scale, various productivity and cost-efficiency measures, as outlined in the External Environment and Operational Review. EBITDA growth was further supported by promotional income and rebates from suppliers typically recognised in the fourth quarter of the year.

» PBT improved significantly, supported by growth in EBITDA, although the higher depreciation and amortisation charge arising from investments in new outlets and technological platforms moderated the overall increase.

Supermarket Margins



New Energy Vehicles

2025/26	Q1	Q2	Q3	Q4	Full Year
Number of NEV sold	2,307	3,705	1,936	2,133	10,081
EBITDA (Rs.million)	4,584	7,463	4,126	2,123	18,296

» As detailed in the External Environment and Operational Review, the business commenced revenue and profit recognition during 2025/26, with a total of 10,081 vehicles handed over to customers during the year.

Office Automation

» The Office Automation business recorded a growth in revenue driven by the increase in mobile phone and office automation sales volumes.

» The PBT of the business recorded a decrease despite lower finance costs during 2025/26 on account of lower exchange gains during the year in comparison to 2024/25, emanating from the difference between the costing rate of products and the settlement of bills.

Recurring Adjustments

The fair value gains and losses on investment property pertaining to the Supermarket business was recorded at Rs.3.6 million [2024/25: Rs.4.6 million]. The recurring EBITDA of the industry group, excluding the fair value gains and losses on investment property amounted to Rs.31.74 billion [2024/25: Rs.10.94 billion].

Balance Sheet Indicators

Rs.million	2025/26	2024/25	%
Assets			
Supermarkets	56,643	50,734	12
New Energy Vehicles	35,721	-*	-
Office Automation	7,431	6,186	20
Total	**99,795**	**56,920**	**75**
Debt**			
Supermarkets	10,468	10,744	(3)
New Energy Vehicles	12,479	-*	-
Office Automation	2,249	2,093	7
Total	**25,196**	**12,837**	**96**

**In 2024/25, the New Energy Vehicles business (JKCG) was accounted as an equity accounted investee and from 1 April 2025 onwards JKCG was recognised as a subsidiary of the Group.*

***Excludes lease liabilities.*

Supermarkets

» The increase in the assets was on account of an increase in capital investment for the nine new outlets opened during the year and an increase in inventory mainly due to the new outlets and, to a lesser extent, initiatives to increase stock availability.

» The decrease in debt of the Supermarket business was primarily on account of repayments, utilising cash generated through operations.

» As at 31 March 2026, lease liabilities stood at Rs.13.08 billion, a 14% increase against the Rs.11.51 billion recorded in 2024/25 due to outlet expansions. Total debt including leases stood at Rs.23.55 billion as at 31 March 2026 [2024/25: Rs.22.25 billion].

New Energy Vehicles

» The increase in the assets was on account of an increase in capital investment for new showrooms and workshops opened during the year, right of use assets and inventories of vehicles and spare parts.

» The debt of the business solely consists of short term borrowings for working capital requirements and trade facilities, given the trading nature of the business.

Office Automation

» The increase in assets was primarily due to an increase in printing and copying equipment for inventory on hire, and trade and other receivables in line with operational requirements.

» Debt at the Office Automation business increased due to higher bank overdrafts for working capital requirements.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	57.6		8.7		4.01*		1.64*
2024/25	23.3		5.4		2.54		1.71

» The increase in ROCE in the Retail industry group was due to an increase in EBIT margins at the Supermarket business and profitability at JKCG.

» ROCE benefited from the averaging effect of JKCG, with no opening capital given that the business commenced operations during the year.

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Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the GRI Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted by the Group to manage them.

Material Impact Topics

The Retail industry group is cognisant of the impacts of its business operations and engages with key stakeholders including its customers, suppliers, service providers, regulators, and investors towards managing its material sustainability impacts topics, such as, product quality, customer safety and innovation, procurement practices, talent attraction and retention, occupational health and safety, inclusive workplace, climate resilience, community relations, and data security and digitisation.

Risks arising from these impact topics as well as risks arising from key dependencies on externalities of environmental and social resources, form the basis of the SRROs and CRROs considered by the Retail industry group.

The specific SRROs and CRROs of the industry group are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified and consistent risk management framework across all businesses. During the year, the industry group's risk registers were updated to ensure that the relevant risks of each company were incorporated into the respective risk registers. These include risks such as acute physical risk of climate change, food safety and product quality, occupational health and safety and cybersecurity.

Each identified risk is assessed through detailed value chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium and long term implications to the financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. The implications on the financial position was undertaken on a judgemental basis during the year, while a more comprehensive financial assessment of the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the industry group to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic trends and megatrends affecting the industry, together with a detailed assessment of the industry group's value chain, a number of risks were identified as material during the year.

This exercise resulted in the identification of financially material risks, which are managed through the strategies set out in this section.

Supermarkets

Risk of Physical Damage from Natural Disasters

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Acute Physical				
Midstream Distribution and collection centres and warehousing operations	Natural disasters may impact distribution centre operations leading to supply chain disruptions to the retail network resulting in the need for emergency sourcing, rerouting or a partial closure of operations.	Short/Medium	» Asset impairment, operational disruption, safety, insurance and revenue loss.	» Maintaining comprehensive and up to date business continuity plans and disaster recovery plans for all outlets and the distribution centre, along with regular emergency response and evacuation training for store and distribution centre teams. » Redesigning the distribution centre, upgrading physical assets to withstand extreme weather, and evaluating the need for secondary or backup distribution capacity to reduce reliance on a single location.

Workplace Health and Safety

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Health and Safety				
Midstream Core store operations and facilities management	Slips, equipment accidents, and hazards such as leaks, wet floors, heat stress, refrigeration leaks, and manual handling incidents increase the risk of staff injuries, causing productivity loss and operational disruptions in stores and facilities.	Short/Medium	» Injury related costs, productivity loss reduced morale leading to higher employee turnover. » Reputational exposure and higher insurance premiums.	» Strengthen protocols, improve flooring and drainage, conduct regular safety audits, provide personal protective equipment (PPE), and enhance staff training and emergency response protocols.

Foodborne Illness and Product Contamination

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Food Safety/ Contamination				
Midstream Core operations and product quality assurance (QA) process	The risk of foodborne illness or product contamination within supermarket operations could result in customer illness, compensation claims, investigation and recovery costs, increased regulatory scrutiny, customer dissatisfaction, formal complaints, negative social media backlash, erosion of brand trust, customer attrition, and reduced sales.	Short/Medium	» Defective chillers, improper rotation, or hygiene lapses in stores can contaminate perishable and ready to eat items.	» Enhanced store level quality assurance and audits, frequent temperature checks, expiry tracking processes, staff training, strict cleaning schedules and rapid removal of compromised stock, and comprehensive complaint management.

Inadequate Data Privacy Protection

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Inadequate Data Privacy Protection				
Midstream Core operations and customer engagement process, head office IT and system administration	Weak data security practices or system vulnerabilities may lead to unauthorised access to, loss, or misuse of customer, employee and other stakeholder data, resulting in regulatory penalties, legal exposure, reputational harm, and erosion of stakeholder trust.	Short/Medium	» Customer complaints, regulatory penalties, revenue loss and reputational impact. » Liabilities for penalties and compensation, capital spend for upgrades, increased cyber insurance cost and long term revenue erosion from loss of trust.	» Strengthen frontline data handling controls, enforce secure processes, conduct mandatory awareness training, enhance endpoint protection, deploy advanced threat protection and improve business continuity plan readiness through regular drills. » Maintain >90% compliance for critical IT updates, strengthen authentication through the latest authentication mechanisms including MFA and AAD integration. Upgrade hardware, deploy continuous monitoring via Group SOC for Group enabled IT services and Retail SOC for Retail Specific infrastructure and IT Services., enable proactive monitoring through advanced monitoring tools, implement data classification, conduct regular vulnerability assessments, and embed governance for the long term transition to stronger cybersecurity capability.

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Office Automation

Risk of Physical Damage from Natural Disaster

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Chronic Physical (Heat)				
Upstream Warehouse providers and electricity and power utility providers **Midstream** Core operations, product handling and storage **Downstream** Logistics and distribution partners	Rising temperatures increase cooling needs and product overheating risks, while droughts and heat disrupt semiconductor, plastics, and chemical production, reducing component availability, raising costs and driving more temperature related product issues.	Medium/Long	» These conditions lead to higher warehouse energy and cooling costs, more frequent device malfunctions, and degraded consumable quality such as dried ink and clumped toner. » Component shortages, higher procurement costs with longer lead times, the need for product redesigns when parts become unavailable, inconsistent quality across batches and mounting pressure on long term supply reliability.	» Strengthen climate resilience across the full value chain by upgrading warehouse and partner site infrastructure, ensuring adequate insurance coverage, enhancing logistics redundancy and business continuity planning to minimise operational and financial disruption.

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Businesses evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Supermarkets

Enhanced Quality Management for Waste Reduction

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Quality and Efficiency Improvement				
Upstream Ingredient suppliers, including collection centres and packaging suppliers and distribution centres **Midstream** Core stores operations	Stronger intake QA and improved temperature controlled, hygienic handling reduce spoilage, damage and variability, resulting in fewer rejections and expired stock.	Short/Medium	» Lower wastage, fewer rejections, improved supplier reliability and reduced procurement cost. » Lower write offs, reduced shrinkage, improved stock rotation and lower operating cost.	» Enhanced supplier audits, digital intake testing, tighter specifications, and early-stage defect detection systems. » Temperature monitoring, automated processes, stricter hygiene SOPs, and digital QA checks at dispatch.

Climate-resilient Infrastructure Investment

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Climate/ Infrastructure Resilience				
Upstream Collection centres and distribution centres **Midstream** Core stores operations	Strengthening distribution centres, storage facilities, loading zones and supplier interfacing points reduces vulnerability to floods, heat, storms, minimises downtime and ensures more stable, disruption free inbound logistics.	Medium/Long	» Reduced climate-related losses improved operational continuity, lower long term maintenance and insurance costs. » Lower supply chain interruptions, reduced emergency sourcing costs and improved upstream operational resilience.	» Invest in resilient infrastructure, upgrade physical assets, diversify distribution capacity and embed climate proof design standards. » Embed climate resilience expectations in supplier infrastructure standards, collaborate on facility upgrades and diversify supplier locations where feasible.

Cybersecurity Maturity and Digital Transformation Enablement

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO – Cybersecurity Maturity and Digital Transformation Enablement				
Midstream Core operations - Core store operations and head office functions	Invest in resilient, future-ready infrastructure to minimise vulnerabilities, ensure high availability, and strengthen the organisation's ability to withstand and rapidly recover from disruptions.	Medium/Long	» Reduces immediate exposure to cyber threats. » Enables secure digital tool usage. » Unlocks advanced analytics and automation. » Builds long term digital competitiveness.	» Enhance cybersecurity maturity, opening pathways for digital transformation and stability of overall IT ecosystem.

New Energy Vehicles

Partnership on Circularity for Battery Recycling and Take-back

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Circularity – Battery Recycling and Take back				
Midstream Core operations - Battery waste processing and recycling units through principal and disposal of units	Workshops handle damaged, degraded, or end of life batteries, partnering with certified recyclers ensures safe take back, material recovery and compliance with evolving producer responsibility regulations.	Medium/Long	» Reduced hazardous waste risk, lower disposal liabilities, recovery of critical minerals and improved ESG reporting accuracy.	» Integrate certified recycler partnerships, deploy safe battery containment units, digitise recycling manifests and embed recycling KPIs in service centre operations.
Opportunity Category: SRO - Circularity – Battery Recycling and Customer Facing Take back				
Downstream Dealership operations	Dealerships generate used modules, damaged batteries and replaced packs during vehicle turnover, establishing take back and recycling systems strengthens customer trust and reduces lifecycle waste.	Short/Medium	» Enhanced brand perception, lower end of life waste, reduced compliance costs and stronger sustainability claims.	» Set up dealership level collection points, standardise pack return processes, display recycler partnerships in showrooms and ensure consistent reporting across all dealer partners.

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Rooftop or Ground-mounted Solar Systems for NEV Charging

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Emissions Reduction and Energy Decarbonisation				
Midstream Core operations - Vehicle yard handling, showroom operations, service hub workflows, technical workshop processes, inspection cycles, cleaning operations and management of utility dependent operational activities	Installing rooftop or ground mounted solar systems reduces reliance on fossil heavy grid power during NEV charging, shifting charging to low emission and off peak periods further cuts carbon intensity.	Short/Medium	» Lower Scope 2 emissions, reduced electricity cost, improved alignment with decarbonisation targets and enhanced energy resilience.	» Deploy solar photovoltaic (PV) with battery storage, integrate smart charging platforms, automate off peak charging scheduling and link systems to onsite energy monitoring dashboards.
Opportunity Category: CRO - Operational Emissions Efficiency				
Downstream Third-party charging infrastructure	Opportunity to influence third party charging infrastructure providers to install renewable energy and battery storage.	Medium/Long	» Reduced Scope 3 emissions and value chain sustainability.	» Influence and incentivised third-party infrastructure providers to utilise renewable energy.

Partnerships for EV Waste Management and Safe Handling of Batteries

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Waste Management – Battery Take back and Safe Handling				
Midstream Core operations - Battery waste processing	A structured take back system ensures EV batteries and chargers are collected, transported, and processed through certified recyclers, reducing hazardous waste risks and improving traceability. EV fireproof storage containers and isolation boxes reduce thermal runaway risk when handling damaged batteries, lowering fire hazards and compliance exposure.	Short/Medium	» Lower disposal liabilities, compliance uplift and reduced unsafe stockpiling. » Reduced safety incidents, lower insurance exposure, improved operational continuity and safer technician workflow.	» Establish formal take back agreements with BYD/ certified recyclers, create safe collection zones, digitise return manifests, and integrate reverse logistics processes into PDI workflows. » Install battery isolation boxes, train technicians on EV specific containment, use thermal monitoring tools, and integrate emergency response procedures for damaged packs.
Opportunity Category: SRO - Waste Management – Oil and Lubricant Recycling				
Midstream Core operations and waste oil processing	Partnering with certified oil recyclers ensures that used oils, lubricants, and related waste from pre delivery checks and service cycles are safely collected and re refined, reducing hazardous waste impact.	Short/Medium	» Lower hazardous waste risk, improved compliance, reduced disposal cost and stronger customer visible ESG performance.	» Set up dealership level oil collection systems, partner with licensed oil recyclers, standardise waste handling protocols and report recycling metrics across the dealer network.

Office Automation

Resilient and Diversified Warehousing and Infrastructure

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO – Acute Physical				
Midstream Core operations – Stores and product handling, storage, bulk goods logistics, automation and space optimisation	Flood and heat resilient technical centres and storage areas protects sensitive electronics, prevents moisture and heat related failures, and maintains uninterrupted calibration, testing and repair operations.	Short/ Medium	» Reduced operational downtime, improved protection of high value electronics, fewer moisture related failures and lower e waste and more reliable installation and service schedules.	» Adopt storm resilient warehouse design, elevated and sealed storage racks, moisture controlled testing rooms, enhanced drainage systems, protective casings for devices and full climate proofing of configuration and repair operations.

Approach to managing key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Retail industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures (SOPs) to manage such material topics, quarterly capture and tracking of key performance indicators based on the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards, communication of the industry group performance to the Sector Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Retail industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Retail industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Review sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Resilient Assets and Operations

Building climate-resilient operations and infrastructure.

During the year, the industry group faced increased exposure to climate-related disruptions including flooding, heavy rainfall, and weather driven logistics delays, affecting chilled warehouses, cross docking hubs, retail outlets, vehicle yards and technical configuration facilities. Acute weather events heightened risks of disruptions to the distribution and collection centres, cold chain deviation, store closures, spoiled inventory and transport interruptions across JMSL and LPI, while rising heat loads created operational pressure in automotive showrooms, workshops and diagnostic bays under JKCG. Office automation operations experienced similar vulnerability, with climate induced heat and moisture creating risks for temperature sensitive electronics stored in distribution centres and configuration rooms.

In response to these risks and considering the opportunity of developing storm resilient infrastructure, the industry group strengthened its physical asset base through upgraded drainage systems, elevated racking, reinforced warehouse structures, insulated cold rooms, heat-controlled zones, and flood tolerant layouts. JMSL also intends to consider redesigning of the distribution centre, upgrading physical assets to withstand extreme weather, and evaluating the need for secondary or backup distribution capacity to reduce reliance on a single location.

Automotive yards and service centres were protected with enhanced ventilation, protective enclosures, and improved thermal management for EV batteries and diagnostics. Office automation warehouses introduced moisture controlled storage, sealed racking, and storm resilient infrastructure. Across logistics networks, contingency routing, backup refrigeration, insulated transport, and emergency stock movement protocols improved continuity during extreme weather. These initiatives seek to reduce downtime, lower spoilage, and improved operational reliability across customer facing and distribution operations.

Integrated People and Service Excellence

Enhancing workforce capability for operational resilience.

Operational disruptions, increasingly digitalised service workflows, and evolving customer expectations placed higher demands on workforce capability and service reliability across all retail businesses. In the Supermarket business, cold chain handling, store hygiene, and replenishment resilience required strengthened frontline skills

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as climate-related disruptions increased variability. In logistics, driver, warehouse and last mile delivery personnel required stronger emergency response readiness. JKCG faced rising competency needs in EV diagnostics, battery safety, software driven servicing and digital inspection tools. JKOA operations similarly required improved capability in handling sensitive electronics, troubleshooting, installation quality and multi-channel fulfilment.

The industry group responded by expanding technical and operational training across cold chain management, workshop operations, EV safety certification, QA processes, warehouse automation, and customer service protocols. Strengthened SOPs, safety standards, and hygiene controls reduced operational incidents and enhanced consistency across stores, warehouses, and service centres. Enhanced supervisory oversight and incident prevention initiatives supported productivity and staff well-being, while proactive safety culture programmes reduced workplace accidents in retail, logistics, automotive, and technology operations. These actions improved service stability, strengthened customer trust, and reduced operational variability during climate or supply chain stress.

Sustainable Transitions and Resource Stewardship

Enhancing resource efficiency and environmental management.

Rising temperatures, grid instability, water scarcity, and waste management demands increased pressure on energy intensive facilities such as chilled warehouses, retail refrigeration units, EV charging bays, washing bays, service centres, and electronics configuration rooms. Cold chains required additional monitoring to prevent spoilage, while automotive and office automation operations generated increasing volumes of batteries, lubricants, e-waste, and packaging waste requiring responsible handling.

To manage these pressures, the industry group expanded solar power installations across retail, logistics, mobility, and office automation sites, supported by smart charging systems to reduce NEV charging emissions and peak-load stress. Water recycling and effluent treatment systems were deployed across PDI centres, dealerships, washing bays, and service facilities. JMSL strengthened digital temperature monitoring, predictive maintenance and intake QA to reduce perishables spoilage and wastage. Automotive operations improved hazardous waste management by adopting certified battery recycling partners, isolation boxes for damaged EV batteries, oil recycling systems and structured take-back programmes. JKOA operations strengthened e-waste recycling, safe disposal of electronic components and packaging waste reductions. Together, these actions improved resource efficiency, reduced environmental footprint and built operational stability.

Ethical Governance and Digital Trust

Building resilience across digital systems and supply chains.

Growing reliance on cloud based diagnostics, point-of-sale system (POS) systems, enterprise automotive solutions, logistics software and retail automation increased exposure to cybersecurity threats across all business units. Malware attempts, phishing risks and system vulnerabilities posed threats to data integrity, operational continuity, and customer trust. At the same time, upstream supplier networks across food, automotive, and electronics faced climate-related instability, raw material pressure, and rising ESG scrutiny, requiring stronger governance, transparency and compliance.

To strengthen resilience, the industry group enhanced cybersecurity controls through network segmentation, encryption, intrusion detection systems, multifactor authentication, and routine penetration testing. Data continuity measures were improved to safeguard retail and logistics systems. Supplier governance was reinforced through ESG aligned sourcing requirements, QA audits, and diversified sourcing. Office automation and automotive units expanded traceability and documentation for packaging, batteries, electronics and hazardous materials. Further, the industry group advanced its preparatory work for a climate transition plan by improving emissions data completeness, strengthening internal capability and assessing future disclosure requirements.

Key Non-Financial Performance Indicators

During the year under review the Retail industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis, with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Retail industry group were assessed based on the relevant GRI Standards and SASB Standards key performance indicators.

- In the Supermarket business, GHG emissions, energy, water, and waste intensities increased by 5%, 3%, 8%, and 31%, respectively, during the year, reflecting the expansion of the supermarket network and higher operational activity, including increased store utilisation and refrigeration demand. Staff attrition declined by 38%, while workplace accidents reduced to 164 from 219 reported in 2024/25. One work-related fatality of a contract worker was reported.
- At LPI, GHG emissions footprint intensity increased from 0.72 in 2024/25 to 3.62 in 2025/26, with energy, water, and waste intensities also increasing by 12%, 25%, and 22%, respectively, in line with the increased scale of operations of the supermarkets. Staff attrition declined by 25%, while workplace accidents reduced from 14 to 10. One work-related fatality of a contract worker was reported.
- Key environmental intensity indicators of JKOA improved during the year, with reductions in water, energy, and GHG emissions footprint per operational factor, while staff attrition also declined by 19%, indicating enhanced resource efficiency and workforce stability. In its first year of reporting, JKCG recorded a GHG emissions footprint intensity of 0.0022 tCO_2e per square foot, energy intensity of 0.0135 GJ per square foot, and water intensity of 0.0309 m3 per square foot.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Retail industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

Initiatives

During the year under review, the Retail industry group undertook the following industry specific initiatives targeting its material sustainability impact topics and SRROs and CRROs.

Environmental Initiatives

- Strengthened environmental management practices across supermarket operations, aligned with Group Environmental Policy and supported by benchmarking against EarthCheck standards to monitor and improve sustainability performance.
- Advanced energy management and renewable energy adoption, including rooftop solar installations across multiple locations with plans to meet ~25% of total electricity consumption through self-generated renewable energy, supported by real-time energy monitoring and corrective action mechanisms.
- Improved water efficiency and resource management, including water recycling initiatives across distribution centres, alongside wastewater treatment systems at service centres to reduce environmental impact.
- Reduced environmental impact of packaging and plastics, through the continued use of compostable packaging at fresh produce, meat, and seafood counters, alongside the transition to alternatives such as paper straws and sustainable takeaway containers, and ongoing efforts to minimise plastic use, promote recycling, incentivise reusable bag usage through discounts offered to customers at checkout, and encourage digital billing to reduce paper consumption.
- Minimised food waste and supported circular practices, through initiatives such as the Perfectly Imperfect produce range, reducing farm to gate waste by ~20–25% and supporting over 150 local farmers, alongside redistribution to charities of 83% of fruit and vegetable waste.

Social Initiatives

- Strengthened responsible sourcing and supplier development, encouraging certifications such as GMP and ISO, supported by biannual supplier audits (internal and independent third-party) to ensure compliance with quality, social, and environmental standards, while expanding the own label supplier base and supporting capacity building through continuous engagement.
- Enhanced supply chain transparency and efficiency through digitalisation, onboarding suppliers to platforms such as the Keells Advance Network Exchange (KANE) and farmer management systems, enabling paperless collaboration, improved information flows, and more accurate demand forecasting to better align production and delivery schedules.
- Strengthened farmer livelihoods and climate resilience through the Keells Govi Diri programme, supporting 2,966 farmers with training on financial literacy, sustainable agricultural practices, climate resilience, and resource optimisation, complemented by digital tools to monitor and forecast crop volumes and yields.
- Enhanced community engagement through initiatives such as the crowd funded pre-school nutrition programme continued to support early childhood well-being by providing 78,224 nutritious mid-day meals to 937 children across 32 pre-schools. Further, JMSL together with John Keells Foundation, piloted a youth development programme to enhance English and life skills among communities around Keells outlets, reaching over 1,380 youth.

Outlook

The outlook for the Retail industry group remains optimistic, supported by expectations of macroeconomic stability and a gradual recovery in consumer confidence. While near term operating conditions are expected to remain competitive, the Group's diversified portfolio, strong brand positions and disciplined operating models are expected to support sustainable performance over the medium to long term.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment volatility*
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
- Financial exposure*
  - Exchange rate volatility
- Global competitiveness*
  - Evolving preferences
  - Strong competition at the entry-level market for the Office Automation business
- Human resources related risks including talent attrition and employee health and safety*
- Environment and biodiversity related risks* and natural disasters*
  - Increasingly volatile weather patterns impacting crops and fresh produce
  - climate events causing disruptions to operational locations
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Sustained demand witnessed for offerings provided through selective upgrades to outlets of the Supermarket business
- Expansion of the own label range of the Supermarket business, given the affordable, value for money proposition
- Demand for omnichannel retailing
- Shift in consumer behaviour towards more energy efficient alternatives
  - Increase in demand for office automation products powered using renewable energy
  - Higher demand for energy-efficient vehicles

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Immediate to Short Term

Supermarkets

Demand and supply dynamics and shopping trends:

- The business anticipates continued resilience in consumer spending, underpinned by the essential nature of the majority of its product mix, which includes fresh produce, personal care items, and household necessities, etc.
- Growth in footfall is expected to sustain, aided by higher modern trade penetration, convenience offered by modern retail formats, scale benefits and promotional strategies which provide value to consumers.

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» Prepared food is expected to remain a key growth driver in the near term, with demand supported by urban lifestyles and time constrained consumers. Execution focus will remain on consistency, hygiene, visible quality cues and operational discipline to meet heightened customer expectations.

» The structural conversion from general trade to modern trade is expected to continue, supported by economies of scale and value to consumers, and the ability to ensure price stability and availability.

» Continue to expand and diversify the own label portfolio, offering customers value driven alternatives.

» Direct import strategy will remain a key differentiator for the business, enabling consistent availability of globally inspired and high-quality products at competitive price points, aligned with emerging trends in consumer preferences influenced by social media platforms.

» Strengthen the omnichannel strategy, building on the integration of on-demand food and grocery delivery platforms, alongside its mobile app, website, and physical store network, to enhance customer convenience, engagement and accessibility.

» Omnichannel demand is expected to continue its upward trajectory, driven by growing preference for convenience and on-demand fulfilment. Expansion across digital and third-party delivery platforms is expected to support incremental volume growth while reinforcing customer engagement across multiple touchpoints.

» Competitive intensity is expected to remain elevated, with existing players continuing to expand their footprint and promotional activity remaining a key lever.

Costs, margins and supply chain management:

» The state-of-the-art DC continues to be an integral part of the operations of the business as it is pivotal in managing supply chain disruptions and ensuring the outlets are supplied in the most optimum and efficient manner. The DC significantly contributes to process and operational efficiencies, enabling better visibility of the supply chain and reducing stock holding costs.

» The increase of electricity tariff in April 2026 by ~11% and a further increase of ~18% in May 2026 for the second and third quarters of CY2026 due to significant increase in global fuel prices, will have an impact on overall costs. Power and energy costs remains a key component of the business's cost structure, and the business will continue to focus on daily monitoring of consumption and increasing the contribution from solar energy generation.

» Emphasis will also be placed on cost optimisation, productivity and working capital management.

Outlet expansion:

» The business will continue to evaluate new store opportunities on a case-by-case basis, with an emphasis on securing prime locations. The pace of store opening, in comparison to last few years, is envisaged to pick up in the short term given the positive outlook for the industry.

» Outlets which have the ability to scale up with an expanded offering will be identified for upgrade.

Advanced analytics:

» The business will continue with the development and implementation of advanced analytics use cases in order to foster an even greater degree of data-driven decision-making.

» The customer-centric foundations established during 2025/26, combined with the progression toward agentic workflows, are expected to further enhance the effectiveness of pricing, promotions, customer targeting and supply chain planning.

Managing stakeholders:

» The business remains committed to fostering transparent relationships across its value chain from customers to suppliers. Internal initiatives to manage workforce attrition which is an industry-wide concern will be scaled, with a focus on training, employer branding, and fostering an inclusive, diverse workplace.

New Energy Vehicles

» The global transition to NEVs is reshaping the automotive industry, and Sri Lanka represents a growing market opportunity. Leveraging its partnership with BYD, the world's largest NEV manufacturer, JKCG is well positioned to establish a strong presence in the local NEV sector. This, combined with JKH's brand strength, trusted market positioning, and emphasis on product quality, provides a distinct competitive advantage in the market as the NEV sector in Sri Lanka continues to evolve.

» Fuel price volatility driven by elevated geopolitical tensions has the potential to gradually shift consumer preference towards EV and hybrid vehicles, as reflected in Q4 2025/26 market trends.

» Near term performance is expected to remain closely linked to foreign exchange stability, given the business's fully import dependent and US Dollar denominated pricing. Sustained currency stability would support pricing visibility and margin management, while volatility would adversely impact vehicle affordability, particularly in entry level and mid segment NEVs.

» Regulatory and customs related uncertainty is expected to continue influencing operating conditions in the short term. Ongoing and precedent setting investigations, compliance requirements and inventory holding regulations may constrain shipment clearance timelines, inventory flexibility and working capital management, affecting the timing of vehicle deliveries and new model introductions.

- A temporary surcharge of 50% will be applicable on imported motor vehicles, effective from 16 May 2026 for a three-month period. The measure was introduced to moderate non-essential vehicle imports and ease pressure on foreign exchange outflows, amidst emerging currency volatility and external sector pressures.
- The surcharge will not apply for BYD vehicle bookings received prior to 15 May 2026.

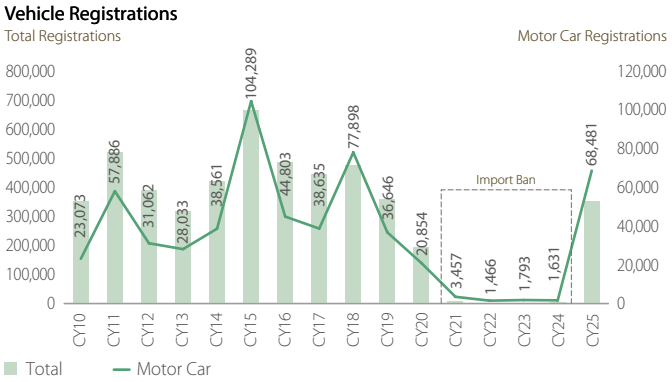
» Competitive intensity within entry level and compact SUV segments is expected to remain elevated, driven by used vehicle price competition and tightening credit conditions, placing continued pressure on margins.

» The business will remain focused on strengthening operational resilience through disciplined inventory management, careful working capital control and continued investment in showroom and service network expansion to support customer confidence and after sales reliability.

» EV demand is likely to remain sensitive to financing conditions, particularly following revisions to loan to value (LTV) ratios, which have reduced financing accessibility for price sensitive customer segments.

» Fiscal developments, including the application of the social security contribution levy (SSCL) at an increased rate of 2.5% at the point of import, are expected to place additional pressure on vehicle pricing and working capital requirements in the near term.

Motor car registrations for CY2025 were well above prior trends.



Source: Department of Motor Traffic.

Office Automation

» The performance of the Office Automation business is envisaged to be subdued due to supply related challenges in input materials faced by the overall market.

» Competition in the entry-level and mass-market segments is expected to remain, driven by aggressive pricing strategies and frequent new product launches.

» The business is well positioned to strengthen its premium product portfolio and drive higher-value sales.

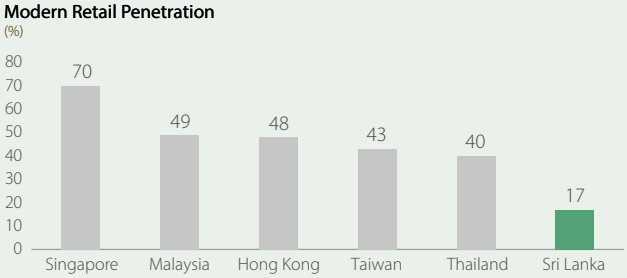
» The mobile and consumer electronics sector faces a challenging outlook in CY2026, with rising component costs, AI-driven chip demand, and the global helium shortage constraining semiconductor supply likely leading to higher prices, potential stock shortages, margin pressure, and slower consumer demand.

Medium to Long Term

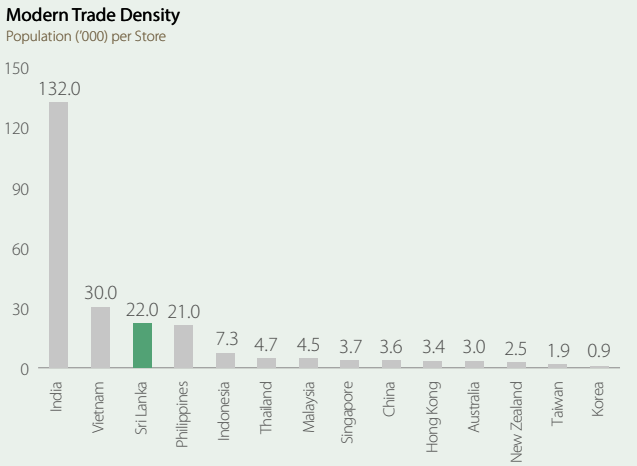
Supermarkets

The long term growth prospects for the modern trade sector in Sri Lanka remain highly attractive. With overall penetration still relatively low compared to regional peers, the business is well positioned to capture incremental demand as the market matures and customers increasingly gravitate towards modern trade formats for quality, value, and convenience.

Prospects for the modern trade industry in Sri Lanka is promising, given the low penetration of modern trade outlets in the country.



Source: Company research.



Source: Company research.

The strategic priorities of the Supermarket business:

» Continually expanding its footprint to capitalise on the envisaged growth of the modern trade industry given its low density and penetration levels. Although online sales contribution is expected to gradually increase, consumer behaviour suggests an inclination to shop at physical stores, which will continue to drive growth looking further ahead.

- Expansion in the medium term would be aimed at both urban and suburban areas, timing such expansion plans based on the macroeconomic landscape and the maturity of these markets.
- Emphasis will primarily be on expansion through the standard outlet format, which optimises capital expenditure and operational costs until such time these earmarked markets mature. The business will also evaluate opportunities to upgrade certain outlets.
- Key challenges include securing lease of land plots in prime locations which are in conformity with brand specifications.

» The continued development of analytics use cases will remain a key enabler in the business's transformation. Over the medium term, greater personalisation, integrated decision workflows and real-time insights will allow the business to deepen customer engagement and drive operational efficiencies across the value chain.

» Climate variability and weather-related disruptions are expected to remain an ongoing consideration for sourcing and operations, reinforcing the importance of resilient supply chains, diversified sourcing strategies and data-driven demand planning.

» The business will continue to focus on retaining its labour force by augmenting its recruitment processes, empowering these individuals and focusing on the employer brand.

» Continued emphasis will also be placed on higher own label penetration, through diversification across product tiers, in order to enhance customer choice and drive margins.

» Omnichannel retailing is expected to become more deeply embedded, with customers increasingly viewing physical stores, online platforms and delivery services as a single, integrated experience. Consistency across these touchpoints will remain critical to sustaining trust and long term loyalty.

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New Energy Vehicles

- The Group's partnership with BYD places the business at a significant competitive advantage given its positioning in the global NEV market. BYD's full-stack expertise across batteries, electric motors, powertrain systems, and electronic controllers provides JKCG access to best-in-class technology, enabling it to deliver advanced, eco-friendly solutions tailored to the evolving needs of consumers.
- This collaboration enables the Group to offer a range of advanced, eco-friendly passenger vehicles in Sri Lanka, furthering the Group's mission to integrate 'eco-consciousness' with diverse lifestyles and making 'electric vehicles' the 'essential vehicle' in people's daily lives.
- Over the medium to long term, the industry is expected to benefit from Sri Lanka's broader commitment to carbon neutrality and energy transition objectives, which may result in renewed policy support and incentives for electric vehicles.
- While foreign exchange volatility, regulatory developments and financing accessibility will remain ongoing considerations, improving macroeconomic stability and medium term policy alignment are expected to support a more stable operating environment and sustainable growth trajectory.
- The business is expected to benefit from the structural transition towards electrified and low-emission mobility solutions, supported by rising consumer awareness and growing alignment with environmental sustainability objectives.
- Greater regulatory clarity and consistency are expected to be critical in restoring predictable supply chains and supporting a sustained recovery in volumes. Improved policy stability would enable more effective portfolio planning, smoother introduction of new models and enhanced inventory efficiency.
- The expanding adoption of rooftop solar power and renewable energy solutions is expected to improve the long term affordability proposition of electric vehicles, reinforcing the total cost of ownership advantage of NEVs relative to internal combustion engine vehicles.
- Continued expansion of the showroom and service footprint, alongside investments in after-sales infrastructure, is expected to strengthen the business's competitive positioning. As an authorised distributor with an established service network, JKCG is expected to retain a structural advantage as the market matures.
- Over time, the introduction of new models, advancements in vehicle technology and broader electrified offerings are expected to support portfolio diversification and address evolving customer preferences across value, performance and premium segments.
- Import duty and tax policy uncertainties including increases in duties, late payment fees arising from delayed registrations, and evolving compliance requirements continue to pose challenges to inventory planning, working capital management and the timing of new model introductions.

Office Automation

JKOA remains confident of the underlying demand for office automation solutions and smart mobile phones, which is expected to be driven by increasing commercial activity within the country, an improvement in business sentiment and rapid urbanisation.

The business will continue to:

- Expand its presence in the market in line with the envisaged growth, whilst leveraging its portfolio of world-class brands and distribution network.
- Capitalise on emerging trends, growing demand for smart devices, and increased adoption of digital lifestyles, by curating a relevant and evolving product portfolio.
- Place emphasis on improving productivity and efficiency in its sales and aftercare operations to ensure high quality customer service. Focus will also be placed on a range of initiatives aimed at digitising the supply chain to consolidate its operations and improve productivity.

LEISURE

Business Model

Cinnamon Hotels & Resorts (CH&R) is a leading hospitality brand in South Asia. The Group's hospitality portfolio across key tourism markets in Sri Lanka and the Maldives is managed through its dedicated hotel management subsidiaries, Cinnamon Hotel Management Limited (CHML) and Cinnamon Hotel Management International (Private) Limited (CHMIL).

The sectors within the industry group also includes destination management, that specialises in inbound tourism and deliver end-to-end destination management solutions across Sri Lanka such as travel planning, accommodation bookings, transportation arrangements, guided excursions and event management.

Revenue streams are diversified across accommodation, food and beverage, events, leisure experiences, and destination management services. The Group's strategy leverages its brand strength, operational expertise, and synergies within the JKH Group to create value.

Contribution to the John Keells Group





Industry Group Structure

Cinnamon Hotels & Resorts*

City of Dreams Sri Lanka (CODSL)**

- The first fully-fledged integrated resort in South Asia.
- Cinnamon Life, a luxurious 687-key hotel which includes 5 ballrooms, 7 meeting rooms and 13 food and beverages (F&B) outlets.
- Nuwa, a 113-key ultra high-end luxury-standard hotel, managed by Melco Resorts and Entertainment (Melco).
- ~500,000 sq. ft. retail and entertainment space.
  - ~180,000 sq. ft. for a luxury standard casino leased and operated by Melco.

Colombo Hotels

- Two luxury star class hotels:
  - Cinnamon Grand Colombo - 501 rooms.
  - Cinnamon Lakeside Colombo - 346 rooms.
- Cinnamon Red Colombo, a select service hotel in Colombo – 243 rooms.
- 19 F&B outlets across the three properties.

Sri Lankan Resorts

- Resorts spread across prime tourism locations in Sri Lanka, leveraging on the natural diversity of the country.
  - 9 resort hotels.
  - 1,237 rooms.

Maldivian Resorts

- Resorts located across the Maldives offering unique experiences.
  - 4 resort hotels.
  - 450 rooms.

**Hotel portfolio and assets are detailed in the ensuing section.*

***The two residential apartment towers and the office tower within these precincts are captured under the Property industry group review.*

Hotel Management

- CHML and CHMIL, the hotel management arm of the Leisure industry group.

Destination Management

Two destination management companies in Sri Lanka:

- Walkers Tours
- Whittall Boustead Travel

Refer the Group Directory section for the equity holdings of the businesses – page 582.

INDUSTRY GROUP REVIEW

LEISURE

		2025/26	2024/25	2023/24
Operational Highlights				
CODSL [1]				
ARR	USD	117	N/A	N/A
Occupancy	%	40	N/A	N/A
Colombo Hotels [2]				
ARR	USD	74	81	78
Occupancy	%	71	62	60
Sri Lankan Resorts [3]				
ARR	USD	106	97	79
Occupancy	%	70	65	68
Maldivian Resorts				
ARR [4]	USD	276	271	275
Occupancy	%	90	84	86
Financial and Manufactured Capital				
Revenue [5]	Rs.million	67,512	50,099	48,167
EBITDA	Rs.million	14,990	4,602	9,157
EBIT	Rs.million	3,371	(3,091)	3,502
PBT	Rs.million	(7,797)	(7,055)	3,411
PAT	Rs.million	(9,708)	(7,762)	2,715
Total assets	Rs.million	417,383	413,098	375,724
Total equity	Rs.million	291,522	286,008	243,741
Total debt [6]	Rs.million	79,733	85,209	90,826
Capital employed [7]	Rs.million	388,576	388,532	354,117
Natural Capital				
Energy consumption	GJ '000	540	443	375
Energy consumption per Rs.million of revenue	GJ/ Rs.million	7.73	8.31	7.30
GHG emissions footprint	tCO_2e	75,672	60,270	45,945
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	1.08	1.13	0.89
Water withdrawal	Cubic metres (m^3)	1,249,130	1,079,886	1,125,981
Water withdrawal Rs.million of revenue	m^3/ Rs.million	17.88	20.28	21.89
Volume of hazardous waste generated	kg	23,258	120,449	7,660
Volume of non-hazardous waste generated	kg '000	3,855	2,736	2,726
Waste generated per Rs.million of revenue	kg/ Rs.million	55.52	52.35	53.88
Human Capital				
Total workforce	No.	6,471	6,624	5,307
Total employees	No.	5,961	5,802	4,789
Total contractor's personnel	No.	510	822	518
EBIT per employee	Rs.million	0.57	(0.53)	0.73
Average training per employee	Hours	55.41	30.44	52.44
Total attrition	%	25.42	37.46	27.90
Female employees	%	21	18	17
Total number of injuries	No.	92	70	56
Social and Relationship Capital				
Community services and infrastructure projects [8]	Rs.'000	14,403	20,582	15,076

1. *Includes Cinnamon Life and Nuwa.*
2. *Occupancy and ARRs exclude Cinnamon Red Colombo.*
3. *Occupancy and ARRs exclude Kandy Myst by Cinnamon.*
4. *Net of green tax and allocation (F&B charge).*
5. *Revenue is inclusive of the Group's share of equity accounted investees.*
6. *Excludes lease liabilities.*
7. *For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.*
8. *Only the contribution to John Keells Foundation.*

Hotel Portfolio:

Hotels in Colombo	Resorts	
Sri Lanka	Sri Lanka	Maldives
Cinnamon Life (687 rooms) ★★★★★	Cinnamon Bey Beruwala (199 rooms) ★★★★★	Cinnamon Velifushi Maldives (90 rooms) ★★★★★
Nuwa* (113 rooms) ★★★★★	Cinnamon Bentota Beach (159 rooms) ★★★★★	Cinnamon Hakuraa Huraa Maldives (100 rooms) ★★★★★
Cinnamon Grand Colombo (501 rooms) ★★★★★	Cinnamon Lodge Habarana (138 rooms) ★★★★★	Cinnamon Dhonveli Maldives (148 rooms) ★★★★
Cinnamon Lakeside Colombo (346 rooms) ★★★★★	Hikka Tranz by Cinnamon (150 rooms) ★★★★	Ellaidhoo Maldives by Cinnamon (112 rooms) ★★★★
Cinnamon Red Colombo** (243 rooms) ★★★	Cinnamon Citadel Kandy (119 rooms) ★★★★	
	Habarana Village by Cinnamon (108 rooms) ★★★★	
	Cinnamon Wild Yala (68 rooms) ★★★★	
	Trinco Blu by Cinnamon (81 rooms) ★★★★	
	Kandy Myst by Cinnamon* (215 rooms) ★★★★	

Note:

**Managed by Melco.*

***Minority stake with management rights in Cinnamon Red Colombo and Kandy Myst by Cinnamon.*

Available freehold land in key tourist hotspots for future developments:

- Ahungalla (Southern Province): 6.5 acres
- Trincomalee (Eastern Province): 14.2 acres
- Nilaveli (Eastern Province): 41.7 acres
- Wirawila (Southern Province): 25.2 acres



Value Chain

The value chain for the industry group encompasses upstream, midstream and downstream activities, as illustrated below. Each stage presents unique risks, opportunities, and environmental, social, and governance (ESG) considerations.

	Hotel Operations		Destination Management Operations
Upstream	» Head lease owners and property owners » Investors and regulators » Capital equipment, infrastructure suppliers and utility service providers » Manpower service providers » F&B and other hotel suppliers		» Hotels » Airlines » Transport providers » Local guides » Regulators
Midstream	» Colombo Hotel operations » Sri Lankan Resort operations » Maldivian Resort operations	» Banquets and restaurant operations, maintenance and engineering functions including energy, water and waste management, housekeeping process, procurement process, employee and guest health and safety process, IT, bookings and reservations, marketing, branding and customer relationship management, human resource process and finance	» Supplier and partner management, procurement marketing, branding and demand generation, booking, reservation and itinerary management ground operations and experience delivery, post trip follow up and relationship management support services, human resources and finance
Downstream	» Guests - Business, leisure, meetings, incentives, conferences and exhibitions (MICE), free independent travellers (FITs) » Channels - Travel agents, online travel agencies (OTAs) and brand websites, loyalty platform, destination management companies (DMCs)		» Customers » Excursion providers » Travel agents

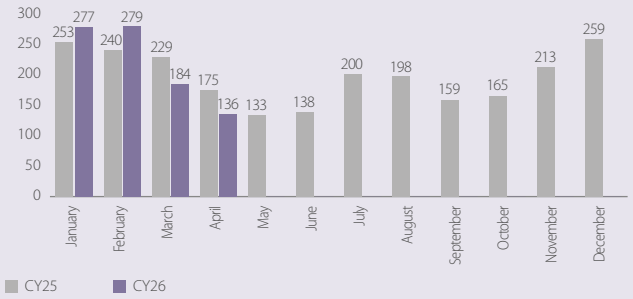
External Environment and Operational Review

Macroeconomic Update – Sri Lanka

» Performance of the Sri Lankan tourism industry:

Tourist Arrivals to Sri Lanka

Arrivals ('000)



Source: Sri Lanka Tourism Development Authority (SLTDA).

» Tourist arrivals to Sri Lanka stood at 2,362,521 for CY2025, a 15% increase against the previous year [CY2024: 2,053,465 arrivals], surpassing the pre-Covid peak arrivals in 2018.

» For 2025/26, tourist arrivals stood at 2,380,879, an 11% increase against the 2,139,957 arrivals recorded in 2024/25. Arrivals during the month of March 2026 were moderated due to the conflict in the Middle East and consequent disruptions affecting long-haul travel flows.

» Key source markets driving arrivals during CY2025 were India, followed by the UK, Russia, Germany and China.

» Tourism earnings in CY2025 increased to USD 3.22 billion, marking the highest earnings since CY2019 [CY2024: USD 3.16 billion].

» Average duration of stay was 8.3 nights in CY2025 from 8.4 nights in CY2024 based on the SLTDA.

» Occupancy for star class properties in Sri Lanka increased to 63% in CY2025 [CY2024: 59%].*

Refer Outlook section for further details on Indian arrivals.

» New entrants and luxury standard hotel room pipeline in Colombo:

- The 113 room luxury-standard hotel, Nuwa at CODSL opened in August 2025.
- Galadari Colombo will reopen branded as Radisson Blu, a 450 room luxury five-star hotel, due to open in June 2026.
- In CY2024, there was an influx of over 1,700 rooms in the Colombo city, increasing the star-class room inventory significantly from CY2018. This inventory included the 687 rooms at the Cinnamon Life hotel and international hospitality brands such as ITC and Sheraton (opened end-December 2023). No other five-star hotel projects are currently planned for construction in the next two years.

» Colombo occupancy reached record highs despite significant new room supply, underscoring strong demand. ARRs declined marginally during CY2025, reflecting a change in the demand mix which was mainly driven by lower ARRs due to the increased room supply in the city.

- Occupancy in the star-class segment in the city increasing from 53% in June 2025 to 70% in November 2025, and to 75% in January 2026.

INDUSTRY GROUP REVIEW

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» Air connectivity to the country continues to increase with major carriers increasing frequency and new carriers commencing flights to the country. Improved air connectivity was highlighted as a critical enabler of growth, with increased flight frequencies and routes supporting sustained arrival momentum.

New Airline Carriers 2025/26*:

Carrier	Country	Start Date	Operations
Batik Air Malaysia	Malaysia	Mar 2026	Four weekly flights to Colombo, connecting on to Male.
Beijing Capital Airlines	China	Jan 2026	Operates twice weekly flights to Colombo.
Red Wings Airlines	Russia	Oct 2025	Began 5 weekly flights to Mattala Airport.
Edelweiss Air (SWISS Group)	Switzerland	Oct 2025	Seasonal winter flights started to Colombo.
Enter Air	Poland	Oct 2025	Charter flights operating every 10 days until April 2026.

» Planned operations:
- Jetstar Airways (Australia) – Melbourne to Colombo flights planned from August 2026.
- Vietnam Airlines – planned Ho Chi Minh City to Colombo flights (three weekly) from August 2026.

FitsAir, a local carrier commenced operations of two weekly flights to Lahore, Pakistan from January 2026 and is expected to commence three weekly flights to Ahmedabad, India in CY2026.

» MICE tourism is a fast-growing segment of Sri Lanka's tourism industry, particularly after the post-crisis recovery of international travel. The sector accounted for around 7% of total tourist arrivals, making it a significant niche within the broader tourism market [CY2024: 5.4% and CY2018: 1.7%].

» Cyclone Ditwah Impact: The tourism industry experienced a short term disruption during the peak season as a result of the cyclone; however, the sector recovered swiftly, with December recording the highest tourist arrivals for the year.

**Based on Company research.*

Key Policy and Regulatory Highlights

» Construction of Terminal 2 at Bandaranaike International Airport (BIA) is expected to resume in CY2026 following bid evaluations with support from the Japan International Cooperation Agency (JICA). Alongside the planned restart, the airport is introducing upgrades such as automated immigration e-gates and improvements to passenger facilities and baggage systems to enhance efficiency and handle rising tourist arrivals. Upon completion, BIA's passenger capacity will increase to over 15 million passengers annually.

» As per the National Budget 2025 fiscal proposals, critical infrastructure developments to optimise value generation for local destinations and urban tourism development are planned to be implemented during 2026/27.

» As of 31 March 2026, nationals from China, India, Indonesia, Russia, Thailand, Malaysia and Japan have visa free travel to Sri Lanka.

» Effective 1 April 2025, the following taxes are applicable for gaming operations:
- Corporate tax for gains from betting and gaming increased from 40% to 45%.
- The gross collection levy increased to 18% from 15%.
- Casino entrance levy for locals increased from USD 50 to USD 100.

» An Extraordinary Gazette issued on 30 January 2026 amended the Shop and Office Employees Act to permit women aged 18 and above to work night shifts (6 p.m. - 6 a.m.) in sectors including hospitality, food and beverage services, and related establishments, subject to mandatory employer safeguards on safety, transport and welfare.

» Electricity tariffs for the hotels sector was revised upwards, on average, by 15% in June 2025, ~10% in April 2026 and ~18% for the second and third quarter of CY2026 effective 11 May 2026, in line with the cost reflective pricing mechanism.

Destination Promotions and Recognitions

Despite limited global destination marketing efforts, Sri Lanka has maintained a strong appeal among travellers.

In CY2025, Sri Lanka tourism received the following international endorsements:

» Sri Lanka ranked 9th among the '25 Best Places to Travel in 2025' by BBC Travel.

» Sri Lanka was featured in '25 Under-the-Radar Ideas for Luxurious Holidays in 2025' by World Travel Magazine.

» The Pekoe Trail in Sri Lanka's central highlands was included in 'World's Greatest Places 2025' by TIME Magazine.

» Sigiriya was named the 'Most Welcoming City in the World for 2025' by Booking.com.

» The Colombo–Badulla railway line was recognised among the 'Top Scenic Train Journeys in the World' by Lonely Planet.

» Sri Lanka was highlighted as a top destination for families travelling with young children (generation beta) by Travel and Tour World.

» Jaffna was listed among the 'Top Cities to Visit in 2026 in the Best in Travel' rankings by Lonely Planet.

» Sri Lanka was featured among the '50 Best Places to Travel in 2026' by Travel + Leisure.

Cinnamon Hotels & Resorts (CH&R)

During the year under review, CH&R delivered a resilient and encouraging operational performance, supported by sustained growth in tourist arrivals to both Sri Lanka and the Maldives, improving air connectivity, and continued recovery across key international source markets.

Sri Lanka recorded strong demand momentum, while Colombo achieved historically high occupancy levels despite the addition of significant new room inventory. The operating environment remained broadly supportive, underpinned by improving macroeconomic conditions and destination affordability. In the Maldives, strong market dynamics continued to underpin positive operating performance. Overall, effective execution enabled CH&R to benefit from the recovery in travel demand while reinforcing its position as a top hospitality operator in the region.

Refer Macroeconomic Update section of this review: Sri Lanka – page 225 and the Maldives – page 229.

Awards and Accolades

- Received the following awards at SLIM DIGIS 2025 organised by the Sri Lanka Institute of Marketing (SLIM):
  - Merit for the initiative to launch the Cinnamon Hospitality Academy.
  - Silver for the Best Rate Guaranteed initiative.
  - Bronze for the Project GENOME which is an initiative to enhance personalised digital marketing.

City of Dreams Sri Lanka

The year under review marked a significant milestone for CODSL, with the opening of the ultra-luxury Nuwa hotel, the casino, and the first phase of the retail mall in August 2025, culminating in the commencement of operations as a fully integrated resort. With all components of the development operational, the project began to demonstrate its full commercial potential.

The Cinnamon Life hotel continued to be positively received by both local and international markets, with month-on-month improvements in occupancy reflecting growing awareness and visibility in key regional markets. Demand has been particularly strong for conferences and large-scale events, notably where the property has attracted large Indian corporates, supported by Cinnamon Life's purpose-built, best-in-class meeting and event infrastructure. The hotel's unique event spaces have enabled Colombo to attract international conferences and events, that were previously not feasible, such as the recently held global Ernst & Young (EY) conference of over 2,000 guests, positioning Colombo more competitively within the regional MICE landscape.

During the year, Cinnamon Life launched THE LIFE, a tiered F&B led membership programme aimed at strengthening long term guest engagement across its dining, hospitality and wellness offerings. Structured around Emerald and Ruby tiers, the programme offers members a progressive set of dining, accommodation and wellness privileges linked to usage and loyalty. As at year end, over 2,300 members had enrolled in THE LIFE programme, reflecting strong traction and reinforcing CODSL's positioning as Colombo's leading integrated resort destination.

Within the Colombo market, average room rates are expected to register modest growth alongside rising occupancies, with a similar trend noted for the Cinnamon Life hotel.

At Nuwa, occupancies have shown an upward trend, in line with the gradual improvement in casino operations, contributing positively to overall performance.

City of Dreams Sri Lanka 2025/26	Q1*	Q2*	Q3	Q4	Full Year
Hotel (800 rooms)					
Average Room Rate (USD)	99	106	116	118	117
Occupancy (%)	24	35	45	61	40

**Only for 687 rooms at Cinnamon Life hotel.*

The retail mall commenced operations, with two floors now activated. Leasing momentum has been positive, with the remaining space expected to be substantially leased during the next financial year. Several outlets that were already leased are undergoing fit outs and are expected to commence operations within the year, with the larger anchor offerings such as the cinema operations scheduled to open in the second half of the ensuing year. We are confident that footfall will increase once the remaining spaces and the cinema is operational, together with more activity within the integrated resort.

Since its commencement in August 2025, casino operations have been steadily ramping up with an encouraging pick-up witnessed from the fourth quarter onwards. During the year under review, the Group recognised fixed rental income, while the variable rental component will come into effect once operations reach a certain level of activity, in line with the anticipated ramp-up. As footfall to the casino continues to gather momentum, it will serve as a key catalyst in driving higher hotel occupancy.

CODSL recorded a positive EBITDA during the year, for the first time since commencement of operations, reflecting improving operating momentum across the integrated offering.



The ultra-luxury Nuwa hotel opened in August 2025.

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While net profitability continues to be impacted by the depreciation and interest costs associated with the development, the project's cash generation capacity has begun to materialise, supported by improving occupancies, growing MICE activity, and strengthening performance across non-room revenue streams such as F&B. The Group remains confident that the revenue base and operating leverage of CODSL will continue to strengthen as the development matures and utilisation levels increase.

The USD 189 million syndicated facility at WPL, originally maturing in December 2026, was refinanced in March 2026 through a USD 150 million long term loan and a USD 39 million six-month bridging facility. The refinancing was concluded at a materially lower interest rate compared to the previous facility. The revised structure incorporates a five-year-tenure for the USD 150 million long term facility, including a six month grace period and back ended capital repayments, together with the USD 39 million bridging facility. In addition to the pricing benefit, this structure supports a prudent deleveraging trajectory and improved alignment with the project's cash flow profile. Accordingly, the combined impact of lower pricing and a reduced outstanding capital base is expected to result in lower finance costs in the periods ahead, subject to foreign currency translation movements, thereby strengthening the earnings profile of CODSL.

Refer the Property industry group for a discussion on the residential and office components – page 246.

Colombo Hotels

The performance of the Colombo Hotels sector during the year under review was supported by strong occupancy levels that consistently exceeded previous market averages for the Colombo city. While room rates were initially impacted by the new room supply in the city, as mentioned, pricing conditions stabilised over the course of the year. As a result, rate growth remained modest, reflecting prevailing inventory pressures, however, sustained occupancy levels continued to underpin overall performance as noted for occupancy in the star-class segment in the city from 53% in June 2025 to 70% in November 2025 and further to 75% in January 2026.

Colombo Hotels	Q1	Q2	Q3	Q4	Full Year
Average Room Rate (USD)					
2025/26	71	72	73	80	74
2024/25	98	83	78	75	81
Occupancy (%)					
2025/26	60	73	78	73	71
2024/25	40	66	66	77	62

Note:

- *Both ARRs and occupancy excludes Cinnamon Red Colombo.*
- *Only 242 of its 501 rooms at Cinnamon Grand Colombo were operated in both comparative years, and the indicators reflected above are on a base of 242 operational rooms.*

F&B operations recorded steady growth despite heightened competition from new market entrants. Cost discipline and operational efficiencies, including the right-sizing initiatives implemented in the prior year at Cinnamon Grand Colombo, helped mitigate margin pressures arising from static rates.

From a broader market perspective, the recovery in tourist arrivals particularly from India has contributed to a gradual increase in Colombo's share of national tourism activity. This shift is expected to strengthen further in line with continued growth from the Indian market. In this context, the positioning of Colombo as a MICE destination has been identified as a strategic priority, with early traction recorded during the financial year. Increased MICE activity has supported city-wide hotel demand, with Cinnamon Life at CODSL playing a pivotal role in anchoring this positioning.

Awards and Accolades

» Cinnamon Lakeside Colombo received Gold for 'Leading Wedding Destination Hotel' award at the South Asian Travel Awards (SATA) 2025.

Sri Lankan Resorts

The Sri Lankan Resorts segment demonstrated robust performance, primarily driven by increased occupancy rates and strong average room rates, underpinned by sustained growth in tourist arrivals to the country. All properties, with the exception of those located in Kandy, achieved growth in revenue per available room (RevPAR), surpassing pre-pandemic benchmarks. The properties in Kandy experienced challenges as a result of Cyclone Ditwah and subsequent disruptions to connectivity, which impacted performance.

Performance momentum was particularly notable in the second half of the financial year, coinciding with the country's peak tourism season. Beach resorts consistently outperformed, benefiting from renewed demand reflected in higher rates and stable occupancy levels.

Profitability during the year was primarily driven by rate increases. Additionally, ongoing cost saving measures implemented over previous years enabled the sector to deliver enhanced profitability.

Sri Lankan Resorts	Q1	Q2	Q3	Q4	Full Year
Average Room Rate (USD)					
2025/26	81	90	105	141	106
2024/25	81	78	96	123	97
Occupancy (%)					
2025/26	62	71	72	75	70
2024/25	49	64	68	82	65

Note:

- *Both ARRs and occupancy excludes Kandy Myst by Cinnamon.*



Hikka Tranz by Cinnamon.

Awards and Accolades

- Cinnamon Lodge Habarana and Habarana Village by Cinnamon received the 'Travelife Gold Certification'.
- Cinnamon Bey Beruwala and Cinnamon Wild Yala were recognised as winners at the Tripadvisor Travellers' Choice Awards 2025.
- Received the following awards at SATA 2025:
  - Cinnamon Lodge Habarana – Gold for 'Leading Eco-Friendly Hotel/Resort' award.
  - Cinnamon Wild Yala – Gold for 'Leading Wildlife Tented Lodge Hotel/Resort' award.
  - Cinnamon Bentota Beach – Signature Selection – Silver for 'Leading Designer Resort/Hotel' award.
  - Cinnamon Citadel Kandy – Silver for 'Leading Riverfront Hotel/Resort' award.

In March 2026, John Keells Hotels PLC divested its equity stake of 98.39% in Kandy Walk Inn Limited (KWIL), the owning company of Cinnamon Citadel Kandy, for a total consideration of Rs.2.78 billion, recording a disposal gain of Rs.1.52 billion at a consolidated level, impacting EBITDA. Net of tax, a gain of Rs.1.15 billion was recorded, impacting PAT. The disposal gain on the sale is recorded under the Hotel Management sector in the Leisure industry group.

Under the terms of the agreement, the hotel will continue to be managed under the Cinnamon Hotels & Resorts brand for a minimum period of 12 months, subject to review thereafter. The divestment is aligned with the segment's asset light strategy. This divestment followed the recent commencement of operations of Kandy Myst by Cinnamon, where the Group has a minority equity stake and a long term management contract under the Cinnamon brand. The proceeds are expected to support the optimal allocation of capital towards upgrading the hotel portfolio in line with the positioning and long term outlook of the properties.

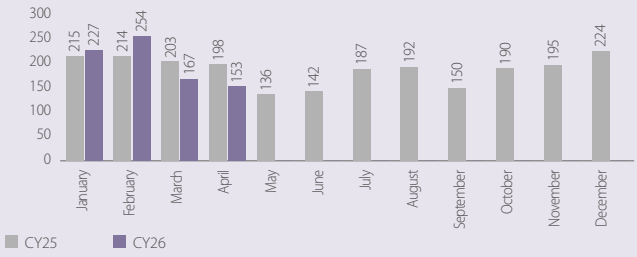


Cinnamon Velifushi Maldives.

Macroeconomic Update – The Maldives

- The gross domestic product (GDP) of the Maldives increased by 5.4% during CY2025 and is projected to grow at 4.8% in CY2026 by the Asian Development Bank [CY2024: 5.5%].

Tourist Arrivals to the Maldives



- The Maldives recorded a 9.8% increase in arrivals with a total of 2.2 million tourist arrivals in CY2025, in comparison to the 2.0 million arrivals in CY2024.
- Key source markets driving arrivals during CY2025 were China, followed by Russia, United Kingdom, Germany and Italy.
- Tourist arrivals to the Maldives stood at 2,262,669 for 2025/26, a 9% increase against the previous year [2024/25: 2,075,033 arrivals].

- Occupancy at tourist establishments by type:

%	CY2025	CY2024	CY2023	CY2022	CY2021
Resorts	68	71	66	71	65
Hotels	32	28	35	36	42
Guest houses	41	35	43	31	34
Tourist vessels	24	26	24	24	19
Average occupancy	**58**	**59**	**58**	**59**	**56**

Source: Ministry of Tourism - Maldives.

- Tourism goods and services tax (TGST) was increased from 16% to 17%, effective 1 July 2025 for all tourism sector goods and services such as resort accommodation, guest houses, dive centres and restaurants and spas in tourist establishments.
- The new international passenger terminal at Velana International Airport commenced operations in July 2025. The terminal has been designed to handle an annual passenger capacity of over 7 million. With the full operationalisation of Velana International Airport, visitor arrivals are projected to reach ~2.4 million in CY2026.

Maldivian Resorts

The Maldivian Resorts segment recorded a strong performance during the year under review, driven by increased occupancy levels across all properties and growth in room rates. The segment achieved a notable improvement in occupancies compared with the previous year, particularly during the second half of the year, supported by peak seasonal arrivals to the country. Although the industry average occupancy for resorts in the Maldives moderated slightly during the year, primarily due to the continued expansion of the guest house segment despite an increase in total visitor arrivals, it is encouraging to note that occupancies within the Maldivian Resorts segment exceeded the industry average.

Average room rates remained resilient during the year, while a volume-led strategy was adopted to sustain demand in a competitive market. The segment's volume-led strategy enabled it to defend market share and maintain strong occupancy momentum, which also contributed positively to profitability, notwithstanding certain structural cost headwinds.

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Maldivian Resorts	Q1	Q2	Q3	Q4	Full Year
Average Room Rate (USD)*					
2025/26	231	201	288	391	276
2024/25	235	194	285	364	271
Occupancy (%)					
2025/26	85	94	93	87	90
2024/25	71	89	86	91	84
Average LKR/USD exchange rate					
2025/26	299	302	306	310	304
2024/25	301	302	293	296	299

**Net of green tax and allocation (F&B charge).*

Cost pressures during the year remained manageable, supported by disciplined cost controls and ongoing efficiency initiatives. Staff costs remained largely unchanged year-on-year, reflecting a continued focus on workforce optimisation. Power and energy costs declined compared with the previous year, driven by improved consumption efficiencies, although a material fuel price hike of ~20-30% was observed in March 2026 due to volatility associated with geopolitical developments in the Middle East despite being stable throughout the year. Maintenance and repair expenditure increased during the year, primarily due to shore protection related works undertaken across the resort portfolio.

Strategic initiatives aimed at enhancing operational efficiency, strengthening cost management, and optimising the resorts' product offerings continued to partially mitigate margin pressures and supported the overall improvement in profitability during the year.

During the year Cinnamon Hakuraa Huraa Maldives was upgraded to five-star status, including the introduction of a new beach restaurant, additional bars, enhanced dining concepts, and the strategic re-positioning of the property. This repositioning enables entry into a highly niche, premium market segment and is expected to support enhanced yields going forward.

Awards and Accolades

Received the following awards at SATA 2025:

- Cinnamon Dhonveli Maldives – Gold for 'Leading Surf Resort' award.
- Cinnamon Velifushi Maldives – Gold for 'Leading Beach Resort' award.

Hotel Management

During the year, a range of digital and data-led initiatives to enhance revenue performance, marketing efficiency and operational effectiveness were introduced. A structured first-party data strategy and deeper customer relationship management integration strengthened audience targeting, personalisation and media efficiency, while AI-enabled tools were progressively introduced to support marketing optimisation, creative performance evaluation and campaign execution. Automation was expanded through real time performance dashboards, automated reporting and lifecycle-based marketing workflows spanning pre-arrival, in-stay and post-stay engagement, supporting incremental revenue generation and improved governance. In parallel, the marketing technology ecosystem was rationalised to improve cost efficiency and system alignment, alongside strengthened data governance and consent management frameworks to ensure regulatory compliance and responsible use of guest data.

Brand visibility and direct booking performance were strengthened through targeted digital initiatives. A price match feature was embedded within the booking journey to reinforce rate transparency and build guest confidence, supported by web personalisation tools to enhance on site engagement.

Further, Cinnamon is collaborating with OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, for exploration of agentic AI applications which will commence with selected use cases aimed at elevating the guest experience and embedding intelligent context-aware interactions across key touchpoints of the guest journey.

In parallel, advanced analytics use cases targeting waste reduction in F&B will be progressed toward rollout across the CH&R portfolio, with the objective of delivering measurable cost and sustainability outcomes. Work will also continue on dynamic room pricing capabilities, strengthening the business's ability to respond to shifting demand patterns and market conditions with greater precision and speed.

Cinnamon DISCOVERY Loyalty Programme

During the financial year, the focus was on building awareness and accelerating enrolments to the programme, with over 600 members enrolled across Cinnamon Grand Colombo and Cinnamon Life within the first month of launch. Cross brand revenue materialised ahead of initial projections, while early indicators of strong repeat business reinforced the programme's effectiveness in driving loyalty beyond first-time stays and strengthening Cinnamon's positioning within the Global Hotel Alliance (GHA) network.

The programme is set to expand beyond accommodation through the introduction of dining benefits, enabling more frequent local engagement and supporting sustained F&B loyalty. In 2026/27, emphasis will shift toward optimisation and scale-up, with a focus on expanding the dining and lifestyle proposition, enhancing data-led personalisation and leveraging the GHA network to increase frequency, repeat visitation and long term member lifetime value, positioning Cinnamon DISCOVERY as a core commercial driver across the portfolio.

Destination Management

The Destination Management sector adopted a yield focused strategy during the year, balancing passenger volumes with gross profit optimisation to drive performance. The segment further selectively prioritised higher yield business rather than competing across all customer segments, while the number of passengers (pax) handled by the business also increased during the year.

A key emphasis was also placed on incentive and pax driven markets, particularly the MICE segment, to support demand generation for the Cinnamon Life hotel. In parallel, the segment strengthened its presence in India through enhanced on ground representation, resulting in improved momentum and market share gains. Emerging opportunities in Eastern Europe were also prioritised, reflecting growing arrivals and attractive yields, alongside continued engagement across the segment's broader multi market footprint.

During the year, the operating model was restructured through the establishment of a centralised functional unit, consolidating standard operational activities and delivering significant staffing efficiencies. This model has enhanced scalability, flexibility and talent continuity, while reducing reliance on market specific teams. In parallel, a structured university partnership strengthened the talent pipeline, improved workforce readiness and further supported sustainable cost optimisation.

Awards and Accolades

» The following awards were received from BestWeb.lk:
  - Ayu Sri Lanka was awarded Gold for 'Best Health and Wellness Website', 'Best Mobile User Experience Website', and 'Most Popular Website'.
  - Walkers Tours was awarded Silver for 'Best Travel and Tourism Website'.

Financial Performance Review

The discussion in this section is framed by the external environment and operational performance discussed previously, together with the non-financial considerations outlined in the section that follows.

Income Statement Indicators

Rs.million	2025/26	2024/25	%
Revenue*			
City of Dreams Sri Lanka	12,661	2,204	474
Colombo Hotels	11,289	10,114	12
Sri Lankan Resorts	13,454	11,165	21
Maldivian Resorts	19,215	18,126	6
Destination Management	10,650	8,371	27
Hotel Management	243	119	104
Total	**67,512**	50,099	35

**Including share of revenue of equity accounted investees.*

» The year under review marked the first full period in which all components of the Group's flagship integrated resort were operational, following the opening of the luxury-standard casino, the ultra-high-end 113-room Nuwa hotel, and the first phase of the premium shopping mall. Revenue growth was driven by month-on-month improvements in occupancy and ARR along with strong growth in conferences and banquet revenue.

Refer the External Environment and Operational Review for further details – page 41.

» As discussed in the External Environment and Operational Review, the Sri Lankan leisure businesses recorded a growth in performance on the back of a strong growth in arrivals to the country, particularly in the winter season, despite an impact to March 2026 arrivals due to the conflict in the Middle East. The RevPAR for both Colombo Hotels and Sri Lankan Resorts increased during the year.
  - Whilst the Colombo Hotels sector saw an uptick in occupancies, ARR growth remained modest, reflecting competitive pressure from the new room supply in the city.
  - Occupancy in the star-class segment in the city increasing from 53% in June 2025 to 70% in November, and to 75% in January 2026.

» Revenue of the Maldivian Resorts segment, in US Dollar denominated terms, increased on the back of higher occupancy levels across all properties and a growth in room rates.

» Revenue from the Destination Management sector increased during the year, driven by growth in pax and higher revenue per pax, reflecting the sector's strategic focus on higher-yielding business.

» The Hotel Management segment recorded an increase in revenue from higher management and marketing fees, given the improved performance across the hotels.

Rs.million	2025/26	2024/25	%
EBITDA*			
City of Dreams Sri Lanka	1,538	(4,743)	132
Colombo Hotels	1,562	1,140	37
Sri Lankan Resorts	3,353	2,280	47
Maldivian Resorts	5,653	5,225	8
Destination Management	502	273	84
Hotel Management	2,382	427	458
Total	**14,990**	4,602	226
PBT**			
City of Dreams Sri Lanka	(13,054)	(8,207)	(59)
Colombo Hotels	468	234	100
Sri Lankan Resorts	1,677	611	174
Maldivian Resorts	227	(240)	195
Destination Management	661	344	92
Hotel Management	2,225	203	996
Total	**(7,796)**	(7,055)	(11)

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

*** Share of results of equity accounted investees are shown net of all taxes.*

» CODSL recorded a positive EBITDA during the year, for the first time since the commencement of operations, reflecting improving operating momentum across the integrated offering. PBT however, was impacted by the depreciation and finance costs and net exchange losses on the term loan of USD 189 million considering the depreciation of the Rupee.
  - The Group recognised:
    - Fixed rental income from the casino from August 2025 onwards, while the variable rental component will come into play once the operations reach a certain level of performance.
    - A depreciation charge and finance expense, in the income statement, amounting to Rs.5.84 billion and Rs.5.12 billion, respectively, during the year and Rs.2.23 billion and Rs.2.06 billion, respectively, in 2024/25 for the six months of operations from October 2024.

      It should be noted that depreciation charges for 2025/26 relate to the Cinnamon Life and Nuwa hotels, while finance costs include charges associated with the hotels, the casino, and the retail mall. 2024/25 includes depreciation and finance costs relating to the Cinnamon Life hotel only. The mall and casino are accounted as investment property.
    - Waterfront Properties (Private) Limited (WPL) recorded a non-cash exchange loss of Rs.3.86 billion on its USD 189 million loan [2024/25: gain of Rs.856 million].
    - The PBT of CODSL was also impacted by a deferred tax charge of Rs.521 million which was recognised during the year in respect of taxable temporary differences arising on depreciable assets of WPL due to differences between accounting depreciation and capital allowances claimed. The temporary differences relate to assets expected to be used beyond WPL's income tax exemption period and have been measured using the tax rates expected to apply when the differences reverse.

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» EBITDA of the Colombo Hotels sector increased driven by a growth in revenue, cost discipline and operational efficiencies. It should be noted that the EBITDA of 2024/25 was impacted by one-off costs associated with the right-sizing initiatives at Cinnamon Grand Colombo.

» EBITDA and PBT growth of the Sri Lanka Resorts segment was due to an increase in revenue and a notable increase in margins, supported by ARR increases, and strategic initiatives aimed at enhancing operational efficiency and a better absorption of fixed costs.

» EBITDA and PBT of the Maldivian Resort segment was supported by revenue growth despite certain cost pressures during the year, which were managed through disciplined cost controls and ongoing efficiency initiatives as detailed in External Environment and Operational Review. It should be noted that the performance in 2024/25 was impacted by a substantial bad debt provision following the insolvency filing of a leading European tour operator.

» EBITDA and PBT growth in the Destination Management and Hotel Management sectors was driven by increased revenue and operational efficiencies undertaken by the sectors as detailed in the External Environment and Operational Review.

» Additionally, the performance of the Hotel Management sector includes the disposal gain on the sale of the equity stake in KWIL amounting to Rs.1.52 billion at a consolidated level, impacting EBITDA. Net of tax, a gain of Rs.1.15 billion was recorded, impacting PAT. Excluding the disposal gain, the Hotel Management sector EBITDA increased by 101%.

» Sri Lankan Resorts, Maldivian Resorts and the Hotel Management sectors recorded a decrease in finance expenses. A decline in overall debt levels of the Leisure industry group, as detailed below, contributed to the lower finance expense.

Recurring Adjustments

» The fair value gains and losses on investment property (IP) pertaining to the industry group was recorded at Rs.981 million [2024/25: Rs.75 million]. This was mainly pertaining to the retail mall and entertainment spaces at WPL.

» In March 2026, John Keells Hotels PLC divested its equity stake of 98.39% in KWIL, the owning company of Cinnamon Citadel Kandy, for a total consideration of Rs.2.78 billion, recording a disposal gain of Rs.1.52 billion, at a consolidated level, as mentioned above.

» Accordingly, the recurring EBITDA of the industry group excluding the gain on IP and disposal gain amounted to Rs.12.49 billion, a 176% increase against the previous year [2024/25: Rs.4.53 billion].

Balance Sheet Indicators

Rs.million	2025/26	2024/25	%
Assets			
City of Dreams Sri Lanka	288,968	287,339	1
Colombo Hotels	45,086	42,712	6
Sri Lankan Resorts	23,386	25,089	(7)
Maldivian Resorts	49,169	49,634	(1)
Destination Management	4,239	4,666	(9)
Hotel Management	6,527	3,658	78
Total	**417,375**	413,098	1

» Growth in assets at CODSL was due to the recognition of property, plant and equipment (PPE) in relation to the Nuwa hotel.

» Growth in assets of the Colombo Hotels sector was on account of an increase in PPE at Cinnamon Grand Colombo and Cinnamon Lakeside Colombo.

» The growth in assets of the Hotel Management sector was due to timing of receivables from the divestment of the equity stake in KWIL.

Rs.million	2025/26	2024/25	%
Debt*			
City of Dreams Sri Lanka	59,713	61,530	(3)
Colombo Hotels	1,825	1,731	5
Sri Lankan Resorts	5,625	7,234	(22)
Maldivian Resorts	11,259	12,579	(10)
Destination Management	313	733	(57)
Hotel Management	998	1,402	(29)
Total	**79,733**	85,209	(6)

**Excludes lease liabilities.*

» The decline in debt at CODSL is due to capital repayments on the USD 225 million term loan facility.
  - In March 2026, the USD 225 million syndicated loan facility at CODSL, originally due for repayment in December 2026, was successfully refinanced through a combination of a USD 150 million long term loan facility and a USD 39 million six-month bridging facility. The new USD 150 million facility was concluded at a materially lower interest rate compared to the previous syndicated facility.

» Improvement in cash flow from operations resulted in higher debt repayments and a reduction in overall debt across most hotels.

» The increase in debt at the Colombo Hotels sector is on account an increase in short term borrowings at Cinnamon Grand Colombo for working capital management.

Lease liabilities as at 31 March 2026 stood at Rs.17.32 billion [2024/25: Rs.17.32 billion], with ~94% stemming from the Maldivian Resorts segment. Total debt including leases stood at Rs.97.05 billion as at 31 March 2026 [2024/25: Rs.102.52 billion].

Investments into City of Dreams Sri Lanka

» Rs.19.48 billion was infused through equity to fund the remaining components of CODSL, the Nuwa hotel, the casino and mall which were operational in August 2025.

» As at 31 March 2026, the cumulative equity infused stood at Rs.211.38 billion. The cumulative equity investment at CODSL includes the land transferred by JKH and its subsidiaries at the inception of the project.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	0.9		5.0		0.16		1.07
2024/25	(0.8)		(6.2)		0.13		1.06

» The ROCE of the Leisure industry group improved due to an increase in EBIT margins across majority of the hotel properties. The low asset turnover of Leisure indicates the ability, particularly at CODSL, to extract value from the existing investments to drive more volume and revenue. Excluding CODSL, the Leisure ROCE improved from 3.8% to 7.4%.

Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the GRI Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted by the Group to manage them.

Material Impact Topics

The Leisure industry group is cognisant of the impacts of its business operations and engages with key stakeholders including its customers, suppliers, service providers, regulators, investors towards managing its material sustainability impacts topics such as GHG emissions and energy management, water management, waste management, biodiversity, human rights, health and safety, diversity and equal opportunity, talent attraction and retention, community relations and empowerment, business conduct and ethics, and privacy and data security.

Risks arising from these impact topics as well as risks arising from key dependencies form the basis of the SRROs and CRROs considered by the Leisure industry group. The specific SRROs and CRROs of the industry group are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified and consistent risk management framework across all properties and geographies. During the year, the industry group's risk registers were updated to ensure appropriate coverage of physical climate risks (both acute and chronic), transition risks arising from policy, legal, market, technology, and reputational factors, as well as sustainability-related operational risks including health and safety, food safety, labour practices, energy, biodiversity, waste, water stewardship, supply chain resilience, and cybersecurity.

Each identified risk is assessed through detailed value chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium, and long term implications to the financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. The implications on the financial position were undertaken on a judgemental basis during the year, while a more comprehensive financial assessment of the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the industry group to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic trends and megatrends affecting the industry, together with a detailed assessment of the industry group's value chain, a number of risks were identified as material during the year.

This exercise resulted in the identification of financially material risks, which are managed through the strategies set out in this section.

Extreme Weather and Episodic Events

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Acute Physical				
Upstream Capital equipment, infrastructure suppliers and utility service providers, Food and beverages (F&B) and other hotel suppliers **Midstream** Hotel and Destination Management operations and maintenance and engineering functions	Flooding, storms, extreme rainfall, heat stress causing asset damage, downtime, safety risks and operational disruptions including supply chain disruptions.	Short/Medium	» Asset impairment, operational disruption, safety and insurance. » Procurement process and continuation of business operations.	» Climate resilient design, drainage upgrades, flood barriers, heating, ventilation, air conditioning (HVAC) optimisation, business continuity plan (BCP) and insurance optimisation. Sourcing from multiple supply chain partners and inventory management. » Flexible itinerary planning, alternative routes and destinations, real-time weather monitoring, coordination with drivers, hotels, and local authorities and guest communication protocols.
Risk Category: CRR – Chronic Physical (Heat)				
Midstream Maintenance and engineering functions (M&E)	Rising ambient temperatures increasing cooling demand, energy costs and system strain.	Short/Medium/ Long	» Utility cost escalation, margin pressure and asset wear.	» High efficiency chillers, building management systems (BMS) optimisation, insulation, renewable integration and preventive maintenance.

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Human Capital, Health and Safety (H&S), and Service Quality

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Human Capital				
Midstream Hotel operations/ HR process	Skilled labour shortages, wage inflation, turnover and service capability gaps.	Short/Medium/ Long	» Service quality, payroll cost and guest satisfaction.	» Workforce planning, multi skilling, competitive remuneration, training academies and selective automation.
Risk Category: SRR – H&S				
Midstream Hotel and Destination Management operations, employee and guest H&S	Guest/employee safety incidents, fire hazards and passenger H&S.	Short/Medium/ Long	» Legal claims, regulatory penalties and brand trust.	» Occupational H&S systems, H&S compliance, safety audits, personal protective equipment (PPE) and emergency training and drills.
Risk Category: SRR – Food Safety				
Midstream Banquet and restaurant operations, guest H&S process	Foodborne illness, contamination, food allergens and non compliances.	Short/Medium/ Long	» Guest health, legal exposure and reputational impact.	» Maintaining ISO 22000 Food safety management systems and assessing the feasibility of upgrading to FSSC 22000, supplier audits, hygiene training, temperature controls and digital monitoring.

Environmental, Resource Efficiency and Transition

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Transition				
Upstream/ Midstream Hotel and Destination Management operations, hotel maintenance and engineering functions	High Scope 1/2/3 emissions, arising from operations and transportation and logistics.	Short/Medium/ Long	» Regulatory risk, brand perception, cost of capital and increased operational costs.	» Measure Scope 1, Scope 2 and Scope 3 emissions and develop a decarbonisation roadmap, utilisation of EV transportation, renewable energy. » Route optimisation and vehicle utilisation controls. » Integrate carbon metrics into pricing and procurement. Purchase carbon credits to offset residual GHG emissions footprint. » Other energy efficiency measures such as BMS, circularity and green financing.
Risk Category: SRR – Biodiversity/ Ecosystem				
Midstream Hotel and Destination Management operations	Ecosystem or biodiversity loss in ecologically sensitive areas including coral reef degradation impacting guest experience and biodiversity, with increased regulatory risk due to tightening environmental regulations.	Medium/Long	» Environmental impact, revenue risk and brand reputation risk.	» Strengthen biodiversity and ecosystem stewardship across key destinations, including reef and marine conservation in collaboration with regulators and supply chain partners and supply chain monitoring and guest education.
Risk Category: SRR – Water and Wastewater Compliance				
Midstream Hotel operations M&E - water and wastewater management	Wastewater treatment failures, desalination inefficiency, water scarcity and unreliable supply.	Short/Medium/ Long	» Water security, regulatory exposure and operating expenses.	» High efficiency desalination, wastewater recycling, monitoring KPIs and compliance upgrades.

Digital, Cybersecurity and Ethical Governance

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Cybersecurity and Data Privacy				
Midstream Hotel operations/ Destination Management operations (IT and Reservations)	Data breaches, system failures and payment data exposure.	Short/Medium/ Long	» Regulatory fines, guest trust and operational disruption.	» Evaluating feasibility of implementing ISO 27001, and enhancing governance, encryption, penetration testing, vendor due diligence.
Risk Category: SRR – Ethical Sourcing				
Midstream Destination Management - Supplier and partner management	Human rights, environmental, and compliance risks in supplier networks.	Medium/Long	» Reputational risk and regulatory exposure.	» Supplier codes of conduct, audits, ESG aligned procurement and contract enforcement.

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Businesses evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO – Renewable Energy Transition				
Hotels/operations	Expansion of onsite and offsite renewable energy generation and reducing exposure to fossil fuel based power in the context of energy price volatility and geopolitical tensions towards ensuring stable and sustainable energy supply for uninterrupted service delivery.	Short/Medium/ Long	» Energy security and operational resilience.	» Assess the feasibility of adopting renewable energy and accelerating Scope 1 and 2 decarbonisation initiatives.
Opportunity Category: SRO – Water Security and Water Neutrality				
Hotels/operations	Advance water security and water neutrality by reducing freshwater dependency and supporting water neutrality journey, enabling cost stability, resilience, and growth in water scarce locations.	Short/Medium/ Long	» Ensuring water security and operational resilience.	» Improving water efficiency, increasing recycling and reuse, and exploring alternative water sources such as rainwater harvesting and treated wastewater.
Opportunity Category: SRO - Biodiversity				
Operations/ conservation	Protect and restore reefs and habitats to sustain nature linked demand and licence to operate.	Medium/Long	» Demand resilience and biodiversity stewardship: conservation partnerships, nature linked guest experiences.	» Nature-positive site practices and experience diversification. » Nature-based experience adaptation and guest awareness » Work with authorities and communities on conservation

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Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Leisure industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures (SOPs) to manage such material topics, quarterly capture and tracking of key performance indicators based on the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards, communication of the industry group performance to the industry group Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Leisure industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Leisure industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Resilient Assets and Operations

Building climate ready, reliable, and efficient infrastructure.

Across Sri Lanka and the Maldives, the Leisure industry group is exposed to acute physical climate risks, including flooding, storms, extreme rainfall, heat stress, and utility disruptions. These risks have the potential to impair assets, disrupt operations, compromise safety, and adversely affect guest experience. In addition, ageing mechanical and electrical systems heighten the risk of operational failures, service interruptions, and regulatory non compliance. Physical risk of climate change also poses threats to the industry group supply chain which includes goods and services suppliers of capital equipment, food and beverages and other hotel supplies, arising from delays and disruptions to supplier operational sites and road networks.

To strengthen resilience, the industry group has prioritised climate responsive asset design and operational safeguards. Strategic initiatives include the incorporation of elevated structures, flood mitigation measures, and wind rated building systems, alongside enhanced drainage and redundant utility infrastructure. A phased programme of mechanical and electrical upgrades, supported by preventive maintenance regimes, are being implemented to reduce failure risk and extend asset life. These measures are complemented by robust business continuity and emergency response planning, as well as ongoing optimisation of insurance coverage and risk transfer mechanisms. The industry group maintains adequate buffer stocks and undertakes sound inventory management as well as seeks to engage with multiple supply chain partners to minimise the risk of supply chain disruptions. Together, these actions reduce operational downtime and earnings volatility, enhance asset longevity, lower long term repair and replacement costs, and improve the insurability and bankability of the portfolio, reinforcing confidence among insurers, lenders, and investors.

Integrated People and Service Excellence

Strengthening human capital, safety and guest experience.

Human capital risks remain material across the Leisure industry group, driven by skilled labour shortages, wage inflation, employee turnover, and variability in service delivery. These pressures can elevate short term operating costs and pose risks to service consistency, safety performance, and brand reputation. Health and safety incidents, including food safety risks, whether affecting guests or employees, may also result in regulatory penalties, legal exposure, and reputational damage.

The industry group's response is centred on building a capable, engaged, and safety focused workforce in alignment with the Group's Human Resources strategies. Workforce planning initiatives, multi skilling programmes, and talent pipeline partnerships are being strengthened within the industry group to ensure long term capability and succession depth. Continuous investment in training, safety culture, and compliance with recognised occupational health and safety standards underpins operational discipline across the portfolio. Enhancements to staff accommodation, engagement programmes, and well-being initiatives further support retention and productivity, while structured service excellence frameworks and guest experience monitoring ensure consistent delivery of brand standards.

Refer the Human Capital Review section for further information on the Group's Human Resources strategies – page 95.

These interventions contribute to higher workforce productivity, improved service quality and consistency, reduced recruitment and turnover volatility, and stronger guest trust and loyalty, directly supporting revenue sustainability and brand equity.

Sustainable Transitions and Resource Stewardship

Decarbonisation, circularity, biodiversity, and water security.

The industry group faces transition and operational risks associated with high energy and water intensity, embodied carbon in legacy assets, waste management compliance, and greenhouse gas emissions across the value chain. In water stressed and island environments, dependencies on desalination and wastewater systems further elevate cost, regulatory, and environmental exposure. In sensitive ecosystems, particularly in the Maldives and specific areas in Sri Lanka, biodiversity degradation poses both environmental and commercial risks by impacting guest experience and regulatory compliance.

The industry group's environmental and resource-based strategies focus on reducing environmental intensity while safeguarding natural assets critical to long term value creation in alignment with the Group's polices and processes regarding environmental and resource efficiency. Furthermore, the industry group's social and customer related strategies focus on customer satisfaction, supply chain resilience and responsibility and overall product quality.

Refer the Natural Capital Review section for further information on the Group's polices and processes regarding environmental and resource efficiency – page 65.

Refer the Social and Relationship Capital Review section for further information on the industry group's social and customer related strategies – page 113.

Energy efficiency initiatives, including HVAC optimisation, advanced building management systems, and renewable energy deployment are being scaled across the industry group's portfolio. Water security is being strengthened through reuse systems, high efficiency desalination technologies, and strict compliance with abstraction and discharge limits.

These actions are expected to deliver lower long term utility costs, reduced regulatory and environmental exposure, enhanced ESG performance and investor appeal, and the preservation of natural assets that underpin the industry group's premium guest proposition.

Ethical Governance and Digital Trust

Cybersecurity, data governance, ethical sourcing, and transparent oversight.

As digitalisation accelerates, cybersecurity, data privacy, vendor compliance, and ethical sourcing risks have become increasingly material. Cyber incidents may result in immediate financial costs, regulatory penalties, legal exposure, and erosion of guest trust, while failures in ethical sourcing can expose the Group to human rights, environmental, and reputational risks across its supply chain.

The industry group has strengthened its governance and control environment through data governance frameworks aligned with international standards, including ISO aligned information security practices which are in alignment with the Group's overall cybersecurity and data security policies. Enhanced encryption, access controls, continuous monitoring, and incident response protocols underpin cyber resilience across digital platforms. Third party due diligence, supplier audits, and strengthened contract and service level agreement enforcement reinforce ethical sourcing and vendor accountability. Transparent risk reporting and oversight, support informed decision-making and stakeholder confidence.

Refer the Intellectual Capital Review section for further information on the Group's overall cybersecurity and data security policies – page 129.

Collectively, these measures protect customer trust and brand equity, reduce legal and regulatory exposure, and contribute to a lower long term cost of capital.

Key Non-Financial Performance Indicators

During the year under review the Leisure industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis, with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Leisure industry group were assessed based on the relevant GRI Standards and SASB Standards key performance indicators.

Within the Colombo Hotels sector, GHG emissions, energy, and water utilisation intensity ratios increased by 10%,11%, and 10%, respectively, primarily driven by the expansion of operations at Cinnamon Life and the overall increase in operational activity across the segment. Waste intensity increased by 52%, arising from mixed and construction related waste generated from pre-opening activities, as well as higher waste generation from Cinnamon Life, despite increased operational activity. Workplace accidents increased to 39 from 19; however, no high consequence injuries or fatalities were reported in either year. Staff attrition increased by 15% compared to the previous year.

In the Sri Lankan Resorts segment, GHG emissions and energy intensity declined by 19% and 20% while water intensity declined by 29%, driven by targeted efficiency initiatives, including operational improvements, enhanced water management, and the use of data and advanced analytics to optimise energy consumption. Rainwater harvesting initiatives further supported water stewardship across properties. Waste intensity decreased marginally by 1%, driven by improved measurement practices. Workplace accidents reduced to 37 from 38 in 2024/25, with no high consequence injuries or fatalities reported in either year. Staff attrition declined by 47%, reflecting strengthened employee retention supported by targeted training and capability development initiatives undertaken over the recent years.

In the Maldivian Resorts segment, GHG emissions intensity and energy intensity declined by 4% and 2% respectively, while water intensity remained broadly stable, with a marginal increase of 0.1% during the year. The decline in GHG emissions intensity reflects the increased share of solar energy in the overall energy mix, which contributes to total energy consumption but does not contribute to increase in GHG emissions. The improvement in energy intensity was driven by the adoption of energy-efficient technologies and operational initiatives. Additionally, improvements to ventilation and energy efficiency measures augmented the segments' efforts to reduce its energy footprint. Waste intensity declined by 23%, driven by improved measurement, reporting and monitoring practices. Workplace accidents increased to 16 from 12, however, no high consequence injuries or fatalities were reported in either year. Staff attrition declined by 64%, reflecting improved employee retention.

In the Destination Management sector, GHG emissions, energy, and water intensity increased by 52%, 70%, and 7%, respectively, primarily due to higher client volumes and increased vehicle mileage, which led to greater fuel consumption. Waste intensity declined by 93% due to the absence of construction waste from office refurbishments recorded in the previous year, with only routine office waste generated during the year. Staff attrition decreased by 36%, while no workplace accidents were reported during the year.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Leisure industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

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Initiatives

During the year under review, the Leisure industry group undertook the following industry specific initiatives targeting its material sustainability impact topics and SRROs and CRROs.

Environmental Initiatives

- Cinnamon Hotels & Resorts continued to strengthen environmental management systems aligned with ISO 14001 to systematically reduce resource use, minimise pollution, and improve waste management, supported by ongoing monitoring and continuous improvement practices.
- Within hotel operations, natural ecosystems are preserved through integrated biodiversity and responsible tourism practices, including habitat protection and restoration, invasive species management, and native planting. At coastal and marine locations, site-specific measures are implemented to minimise ecological disturbance, including the promotion of reef-safe sunscreen and guest awareness on reducing reef impact. Conservation efforts include coral replanting efforts in the Maldives and a specific coral restoration project conducted in collaboration with the University of Moratuwa and Cinnamon Bey Beruwala.
- Animal welfare is further upheld through new wildlife interaction policy across all operations and partner activities, prohibiting feeding, handling, or disturbance of wildlife, aligned with recognised standards.
- Reforestation efforts through the Cinnamon Rainforest Restoration project has planted a total of 25,140 trees since project inception in 2022.
- Cinnamon Hotels has completed the ISO 14064-1 3rd party verification of GHG emissions including scope 3 for three consecutive years including the year under review.
- Advanced energy management across properties (including Cinnamon Bey Beruwala, Cinnamon Lodge Habarana, Cinnamon Dhonveli Maldives, Ellaidhoo by Cinnamon Maldives, and Cinnamon Lakeside Colombo) through enhanced monitoring (~99% coverage), energy-efficient technologies, and renewable energy adoption
- Improved resource recovery and waste management, including efforts to reduce single-use plastics by 54.1% and increase material recovery and recycling, through initiatives such as composting. Cinnamon has diverted 86% of their waste from landfill during the year under review.

Social Initiatives

- Within hotel operations, environmental and social risks in the food supply chain are managed through a structured responsible sourcing approach, prioritising local sourcing and locally manufactured products to support community livelihoods and enhance supply resilience, with supplier assessments covering sustainability certifications, production practices, chemical and wastewater management, and raw material origins, alongside enforcement of human rights and animal welfare standards.
- Advanced responsible sourcing and small and medium enterprises (SME) development through Safe Farm to Fork 2.0, supporting 213 local SMEs, including 20 women-led businesses via audits, training, and improvements in food safety, traceability, and compliance systems.
- Extended human rights and safe work practices across the value chain, reinforcing zero tolerance for unethical labour practices among suppliers and contractors through communication and monitoring.
- Walkers Tours manages its Scope 1 emissions through a combination of fleet efficiency measures such as vehicle maintenance, driver training, route optimisation, and adoption of AdBlue/SCR technology alongside fuel use monitoring systems and ongoing performance tracking, while also maintaining a certified carbon neutral fleet and progressing a longer term transition towards hybrid and electric vehicles.
- Embedded sustainability through certifications and standards, with both hotels and the Destination Management sector aligned with Travelife certification, supported by ISO 9001, ISO 22000, FFSC 22000, and ISO 45001 frameworks.

Outlook

As one of the country's largest generators of foreign exchange and employment, tourism continues to play a pivotal role in Sri Lanka's macroeconomic recovery and long term growth trajectory. Sri Lanka's strategic location, combined with its diverse cultural, natural and wellness offerings, has strengthened its positioning as a competitive and experiential destination within the South Asian region. Against this backdrop, the country is expected to sustain its upward momentum, supported by growing regional interest.

Sri Lanka's proximity to India, its largest and fastest growing source market, continues to present a significant opportunity. The sustained expansion of the Indian economy and the associated growth in outbound travel are expected to further support demand for Sri Lanka as a preferred destination, positioning the sector to capitalise on favourable regional travel dynamics in the period ahead.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment volatility*
  - Lower than planned growth in tourist arrivals
  - Recession in domestic and key source markets
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
  - Potential increase in input costs stemming from geopolitical tensions and global impacts
- Financial exposure*
  - Exchange rate volatility
- Global competitiveness and portfolio imbalance*
- Evolving consumer preferences
- Human resources-related risks including talent attrition and employee health and safety*.
  - Growing skills gap in the hospitality industry
- Environment and biodiversity related risks* and natural disasters*
  - Impact on ecosystems and biodiversity
  - Waste generation and management
  - Health and safety of employees and guests
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Rising demand for tourism, especially from the Asian region
- Shifting traveller preferences with particular emphasis on eco-friendly, sustainable and experiential travel, especially 'green holiday destinations'
- Digital nomadism
- Digital transformation in travel planning and booking
- Diversification of tourism offerings
- Increasing opportunities for MICE

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

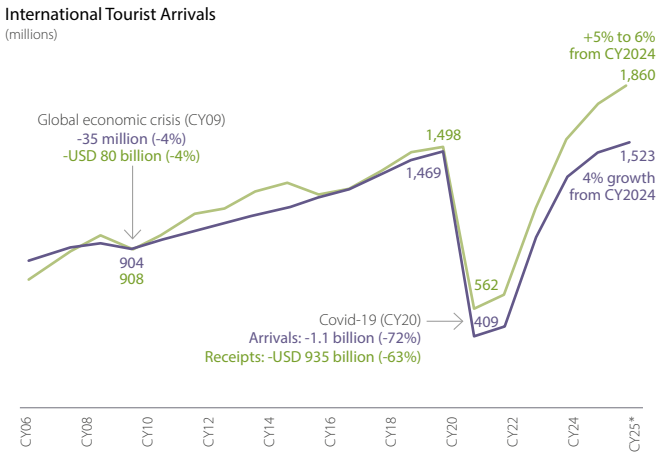
Immediate to Short Term

Global Tourism

Global tourism demonstrated continued resilience during the year under review, supported by the sustained growth in international travel demand and improving air connectivity across key travel corridors. Leisure travel remained the primary driver of global tourism flows, with strong demand evident across both traditional and emerging source markets.

As illustrated below, global tourism activity has demonstrated a strong capacity to absorb and recover from external shocks. The post pandemic rebound has been notably broad based, underpinned by sustained leisure demand, improved connectivity, and a gradual normalisation of travel behaviour. Further, the divergence between the recovery in arrivals and receipts suggests a structural uplift in per traveller spend, reflecting longer stays, higher discretionary expenditure, and a shift towards higher value travel experiences.

Looking ahead, international tourist arrivals are projected to expand by 3% - 4% in CY2026.



Source: UN Tourism (Data as of January 2026).

**Provisional data.*

Notwithstanding the positive momentum, the near term outlook remains subject to certain macroeconomic and geopolitical uncertainties. Elevated travel costs, currency volatility and broader economic conditions may influence travel sentiment in certain markets. However, travel continues to remain a priority expenditure for consumers, particularly in the leisure and experiential segments, which is expected to support continued demand in the short term.

Sri Lankan Tourism

Tourism in Sri Lanka continued its recovery trajectory during the year under review, supported by the stabilisation of the macroeconomic environment, improved destination confidence and increased airline connectivity. Visitor arrivals have shown encouraging growth, reflecting renewed interest from key source markets including India, Europe and the Middle East, despite the temporary impact to arrivals from the conflict in the Middle East.

Refer the below section for further information on Indian outbound travel.

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In the short term, the outlook for the industry remains positive, supported by the gradual strengthening of the country's tourism value proposition. Competitive pricing relative to regional destinations and the diversity of tourism experiences available across the island continue to position Sri Lanka competitively within the region.

However, the industry remains susceptible to global economic conditions, geopolitical developments and fluctuations in international travel demand. Continued focus on service quality, destination perception and infrastructure development will be important in sustaining the recovery momentum.

For CY2026, the SLTDA targets a minimum of 3 million arrivals, prior to the consideration of impacts from the conflict in the Middle East, an increase of 27% over the previous year, as it seeks to accelerate recovery and support rebuilding efforts following Cyclone Ditwah.

The BIA expansion project, which aims to boost annual passenger handling capacity from 6 million to 15 million, is gradually regaining momentum after facing significant delay. The expansion includes the new terminal building, arrival and departure piers, an elevated roadway, and a five-storey car park. Construction of Terminal 2 at BIA is expected to resume in CY2026 following bid evaluations with support from JICA. Once finalised, the expansion is expected to significantly enhance Sri Lanka's international air connectivity, supporting the anticipated growth in tourist arrivals.

Indian arrivals a key driver of growth in arrivals to Sri Lanka

Highest arrivals to the country was driven by

531,511

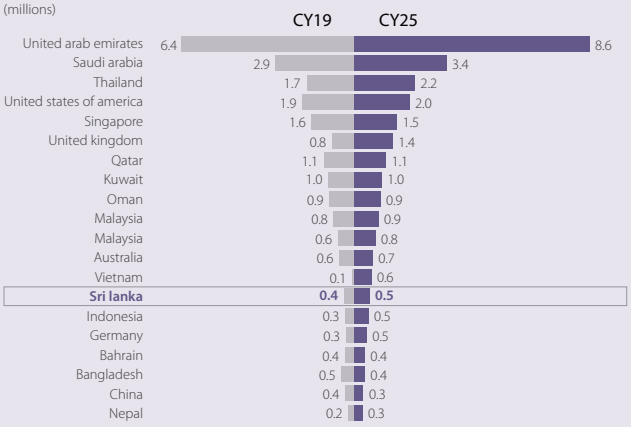
Indian arrivals

27% ↑

India continues to be the most important source market for Sri Lanka's tourism sector, providing both volume and resilience. Growth in Indian arrivals is supported by structural drivers including rising disposable incomes, expanding outbound travel demand, dense air connectivity and Sri Lanka's positioning as a short haul, visa free destination.

Sri Lanka has remained a top source market for outbound travel from India and exhibits potential to scale arrivals in line with other leading regional markets.

Top 20 Source Markets in CY2019 and CY2025
(millions)



Source: Ministry of Tourism - India.

The expansion of Indian outbound travel provides a strong demand backdrop for Sri Lanka. Outbound departures have recovered beyond pre-pandemic levels in CY2024 and continued its upward trajectory in CY2025. India's economic growth and strength as the fourth largest economy in the world, reinforces India's role as a long term growth engine for regional tourism. This growth supports not only leisure travel but also corporate travel, incentive trips and MICE movements at varied scales, particularly to destinations that offer ease of access and competitive pricing.

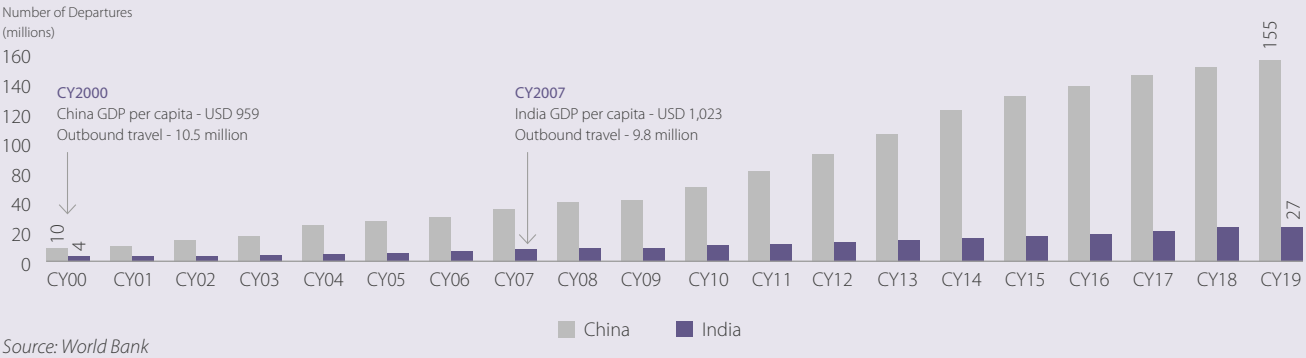
For Sri Lanka, and Colombo in particular, this translates into sustained demand across multiple segments. Indian travellers exhibit a strong preference for shorter duration trips, city stays and integrated experiences, aligning closely with Colombo's evolving hospitality offering. The expansion of premium city hotels and integrated developments enhances the city's ability to capture a larger share of this demand, while also supporting higher occupancy levels and ancillary revenue streams from food and beverage, events and destination management services.

Over the medium term, the combination of rising Indian outbound travel, Colombo's improving urban hospitality infrastructure, and the City of Dreams Sri Lanka is expected to reinforce Colombo's position as the primary gateway for both leisure and business travel into Sri Lanka.

Strategic Proximity to India

Colombo's proximity to India, a market that accounted for over 31 million outbound travellers in CY2025 presents substantial potential for inbound tourism, with Indian tourists contributing to ~22% of total tourist arrivals in CY2025.

India's outbound travel market exhibits growth potential similar to China.



Source: World Bank

Flight Times Between Key Indian Cities and Popular Asian Cities

From/To	Colombo	Singapore	Manila	Macau	Dubai	Bangkok	Ho Chi Minh
Mumbai	2 hr 30 min	5 hr 20 min	9 hr 10 min (with stopovers)	12 hr (with stopovers)	3 hr 15 min	4 hr 30 min	5 hr 10 min
New Delhi	3 hr 30 min	5 hr 45 min	8 hr 15 min (with stopovers)	8 hr 40 min (with stopovers)	3 hr 45 min	4 hr 15 min	5 hr 15 min

Source: Company research.

Air connectivity has increased post-pandemic, which has supported the growth in arrivals, however, remain below peak levels of CY2018.

» By end-CY2025, ~170-180 weekly flights are available between Sri Lanka and India, an increase from ~140-150 weekly flights in CY2024.

» In partnership with Cinnamon Hotels & Resorts and Walkers Tours, FitsAir will launch direct tri-weekly flights between Ahmedabad and Colombo, reducing travel time from 8–10 hours (via transit hubs) to approximately three hours. Gujarat currently contributes an estimated 25,000–30,000 visitors annually to Sri Lanka, and the introduction of direct air connectivity is expected to significantly boost Indian tourist arrivals, particularly from Western India, strengthening Sri Lanka's position as a short-haul leisure destination.

City	March 2025 (approx. weekly flights)	March 2026 (approx. weekly flights)
New Delhi	~12–14	~14–16
Chennai	~24–28	~28–32
Bengaluru	~10–12	~10–12
Mumbai	~12–14	~12–16
Hyderabad	~7–9	~8–10

Source: Company research.

Flights and passengers from India to Sri Lanka are below peak levels in CY2018.



Source: Company research.

City of Dreams Sri Lanka

CODSL materially strengthens Colombo's ability to capture much of the opportunities for the city. The integrated resort introduces scale and breadth previously unavailable in the city, combining premium hotel inventory, large format event and meeting spaces, entertainment, dining and leisure experiences within a single destination. This enables Colombo to attract larger, multi day MICE events and incentive programmes, while also increasing the city's appeal for blended 'business and leisure' travel. As a result, CODSL acts as a catalyst, allowing Colombo to monetise its cost and connectivity advantages more effectively and compete for higher value MICE demand that was previously constrained by infrastructure limitations.

Colombo Hotels

The outlook for Colombo hotels remains positive. Sustained growth in tourist arrivals together with improving air connectivity, is expected to support continued strong occupancy levels. The increasing prominence of Colombo as a MICE destination is anticipated to further enhance demand, benefiting both room occupancy and ancillary revenue streams.

As occupancy levels remain elevated, the operating environment is expected to support gradual rate recovery over the short to medium term. Continued focus on cost management and operational efficiency is expected to underpin margin stability, positioning the portfolio to capitalise on the city's evolving role as a regional business and events hub.



The Shoppes at CODSL.

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Potential for MICE growth in the city of Colombo

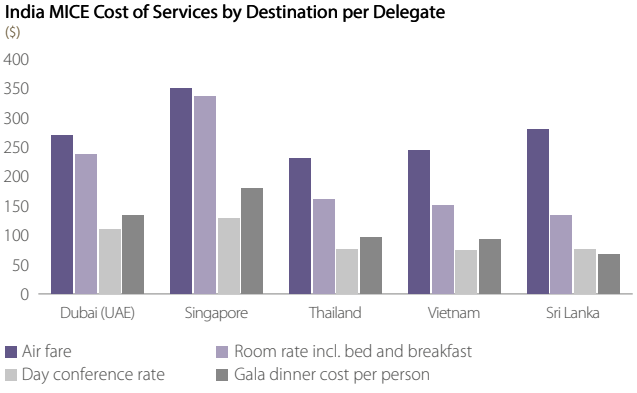
Colombo is emerging as a regional MICE destination, underpinned by improving air connectivity, competitive operating economics, and increasing availability of high quality city based accommodation and event infrastructure. Further efforts to position Sri Lanka as a competitive regional MICE destination are expected to provide incremental support to demand in Colombo. The MICE segment continues to represent a higher yield visitor category, with business travellers generating significantly higher per capita spend than leisure tourists, supporting hotel RevPAR and ancillary revenues. While MICE arrivals currently account for a modest share of total tourism volumes, the segment remains strategically important given its contribution to mid-week demand, event-led occupancy, and non-room income streams.

Demand is expected to be driven primarily by short haul corporate and incentive travel from India, where proximity, visa free access and cost sensitivity favour Colombo over longer haul regional alternatives.

Rather than competing directly with established global convention hubs, Colombo's MICE proposition is differentiated by value, accessibility and flexibility, positioning the city strongly for mid-sized conferences, incentive travel and corporate events with shorter planning cycles and durations.

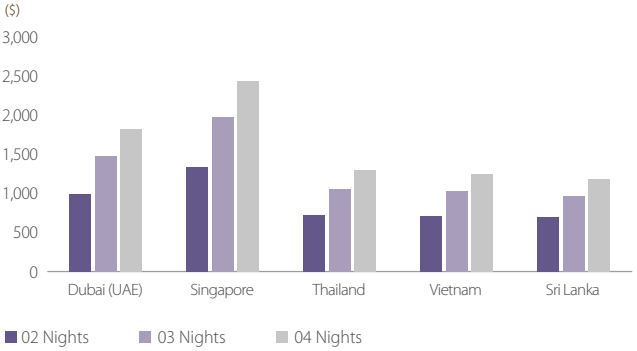
Building on the anticipated growth in Indian arrivals, the cost benchmarks outlined below underscore Colombo's structural competitiveness, with Sri Lanka offering the lowest per delegate MICE costs among key regional destinations. This value proposition is particularly attractive to Indian corporates, for whom overall trip economics including accommodation, conference infrastructure, dining and logistics remain a key determinant in destination selection.

India MICE Cost of Services by Destination per Delegate



Sources: Company research.

India MICE Cost as per Destination per Delegate



Sources: Company research.

Note: Above costs are indicative and based on typical group MICE programmes, and may vary depending on seasonality, group size, hotel category, programme design, and market conditions.

Within this evolving landscape, CODSL is well positioned to play a key role in strengthening Colombo's MICE proposition. The scale and integration of its development, combined with purpose built event spaces, premium accommodation capacity and international service standards, enable the destination to effectively cater to mid to large-scale conferences, incentive programmes and corporate events. Its ability to offer a comprehensive, single destination solution encompassing meetings, accommodation, dining, entertainment and logistics enhances Colombo's appeal as a competitive MICE destination. As Colombo continues to gain traction for regional MICE activity, CODSL is expected to contribute meaningfully to driving weekday demand, event-led visitation and incremental non-room revenues within the city.

Sri Lankan Resorts

The Sri Lanka Resorts portfolio is currently under strategic review, with a disciplined approach adopted towards capital allocation for refurbishments. Rather than undertaking broad based upgrades, investment decisions are being guided by the intended positioning of each property within the overall portfolio, with enhancements undertaken selectively to align with the long term brand and commercial strategy.

In this context, targeted refurbishment expenditure is being directed towards Cinnamon Wild Yala, with the objective of elevating the property under the Cinnamon Signature Selection portfolio. The refurbishment includes the addition of luxury chalets, a clubhouse and a spa. Refurbishment will be implemented on a phased basis, commencing with the new additions and upgrade of existing chalets, following which the property is expected to be operational by the fourth quarter of 2026/27. The refurbishment of the remainder of the existing property will be completed thereafter.

Conflict in the Middle East – Tourism outlook for Sri Lanka

Recent Trends in Tourist Arrivals

Sri Lanka's tourism sector experienced a sharp but short-lived disruption in March 2026, driven primarily by aviation dislocations linked to the escalation of conflict in the Middle East. These disruptions affected passenger flows through major Gulf transit hubs, resulting in a temporary decline in arrivals from long haul markets.

While arrival volumes remained subdued in April, early signs point to a degree of stabilisation following the initial shock. However, the global airline industry has yet to fully recover, and continued geopolitical tensions and elevated fuel prices may result in further capacity adjustments or route rationalisation. Importantly, the disruption to arrivals has been largely logistics driven rather than destination specific, with no deterioration observed in Sri Lanka's underlying appeal or safety perception as a tourism destination.

Aviation Connectivity and Market Effects

The impact on tourism has been uneven across source markets, reflecting differences in routing dependency and travel distance.

- Long haul markets, particularly Europe, were more exposed due to their reliance on Middle Eastern transit hubs such as Dubai, Doha and Abu Dhabi, where flight schedules remain partially disrupted or rerouted.
- Airlines have increasingly adjusted flight paths and capacity, helping to moderate the impact relative to initial expectations, even as operating costs and journey times remain elevated.

As a result, while arrivals in April 2026 remained below earlier projections, the risk of a prolonged and sustained decline has moderated relative to initial expectations.

India and Regional Markets

India has continued to play a critical stabilising role, reinforcing the resilience of Sri Lanka's tourism sector during external shocks.

- India remains Sri Lanka's largest source market, accounting for approximately one quarter to one third of arrivals in April.
- Short travel distances, direct air connectivity that largely bypasses Middle Eastern hubs, and strong leisure travel demand have underpinned demand from India despite heightened global uncertainty.
- Other regional and Asia Pacific markets, including Australia and China, have also shown comparatively better performance than long haul European markets.

This diversification has helped cushion the overall impact on arrivals and reduced downside risk to the tourism recovery compared to prior external shocks.

Implications for Foreign Exchange and the Sri Lankan Rupee

Tourism remains a key source of foreign exchange inflows for Sri Lanka. The March to April 2026 slowdown temporarily moderated earnings momentum, which was strong in the first two months of the year.

A prolonged and severe downturn in tourism could place pressure on the Sri Lankan Rupee, particularly if accompanied by sustained high oil prices or weaker remittances from the Middle East. However, the resilience of regional demand and the adaptability of airline connectivity provide a degree of near term buffer against currency volatility.

Scenario based Outlook

Given the evolving geopolitical environment, the outlook for Sri Lanka's tourism sector can be considered under three potential scenarios.

1. Base Case – Conflict Remains with No Conclusion

Under the base case, geopolitical tensions persist but without major escalation or further airspace closures. In this scenario:

- Arrival volumes experience near term volatility with demonstrated sensitivity to aviation connectivity disruptions, particularly from long haul markets.
- Demand from India and other regional markets remains relatively stable.
- Travel patterns gradually normalise as airlines continue to optimise routing and capacity.
- Aggregate arrivals for CY2026 may track modestly below earlier expectations, though still above CY2024 levels.

Overall, the tourism sector is expected to continue its recovery trajectory at a more moderated pace.

2. Upside Scenario – Improvement in the Geopolitical Situation

If tensions ease and Middle Eastern aviation networks normalise:

- Deferred travel demand from Europe could materialise in the latter part of CY2026.
- Sri Lanka could regain momentum towards its medium term target of 3 million annual arrivals.
- Stronger tourism inflows would provide additional support to foreign exchange earnings and macroeconomic stability.

3. Downside Scenario – Escalation of the Conflict

In the event of a significant escalation:

- Prolonged disruption to Gulf transit hubs could dampen arrivals from Europe and other long haul markets for an extended period.
- While Indian and regional arrivals would likely remain more resilient, they may not fully offset declines in long haul segments.
- Tourism earnings and related foreign currency inflows could face renewed pressure.
- Heightened geopolitical tensions, rising oil prices, and economic uncertainty could place pressure on global economies, potentially dampening discretionary travel demand across both long-haul and regional markets.

Despite near term volatility linked to global geopolitical developments, Sri Lanka's tourism sector has demonstrated growing resilience, supported by diversified source markets, strong regional demand, and adaptive airline networks. While external risks remain, the sector's medium term fundamentals remain intact.

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Maldivian Tourism

Tourism in the Maldives continued to demonstrate resilience during the year under review, maintaining its position as one of the world's leading luxury island destinations. Demand across key European markets remained stable, while emerging markets in Asia and the Middle East continued to gain importance within the destination's visitor mix.

In the near term, the outlook for the Maldivian tourism sector remains favourable, supported by continued demand for premium leisure travel, honeymoon tourism and high-end resort experiences despite the temporary impact to arrivals from the conflict in the Middle East. Ongoing investments in new resort developments and improvements in air connectivity are also expected to support visitor growth.

Nevertheless, the sector remains exposed to global economic conditions, geopolitical tensions, evolving travel patterns and competitive dynamics within the luxury island tourism segment.

Maldivian Resorts

The Maldivian Resorts segment continues to face cost pressures, including expenditure relating to shore protection and higher operating costs due to increases in fuel costs. In this context, capital investments across the portfolio will remain selective and measured, with a focus on targeted enhancements at chosen properties. The business will prioritise maximising yield through smaller scale improvements to existing product offerings, aimed at enhancing guest experience while maintaining capital discipline.

Medium to Long Term

Global Tourism

Over the medium to long term, the structural outlook for global tourism remains favourable. Growth in outbound travel from emerging economies, particularly across Asia, combined with expanding air connectivity and continued investments in tourism infrastructure, is expected to underpin the sector's long term growth trajectory.

Industry trends are increasingly being shaped by evolving traveller preferences towards experiential travel, sustainability-focused tourism and wellness-oriented experiences. The integration of digital technologies and data-driven personalisation is also expected to play an increasingly important role in shaping the global travel ecosystem. As destinations compete to attract higher-value travellers, sustainable tourism practices and responsible destination management are expected to become increasingly important considerations.

Sri Lanka Tourism

Over the medium to long term, Sri Lanka has the opportunity to strengthen its positioning as a differentiated multi-experience destination within the Indian Ocean region. The country's diverse offering across culture, nature, wildlife, wellness and coastal tourism provides a strong foundation for sustained tourism growth.

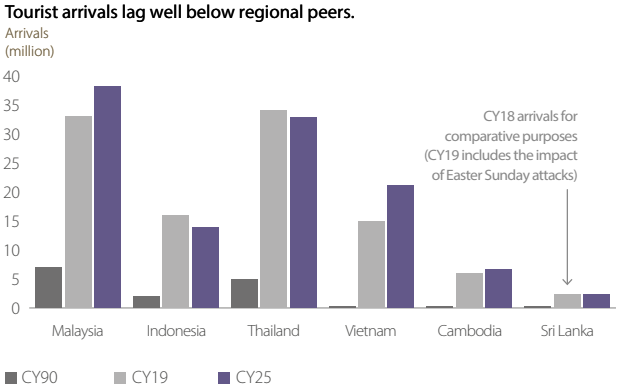
Future growth is expected to be supported by improvements in aviation connectivity, investments in hospitality infrastructure and enhanced destination marketing. Greater emphasis on higher-value tourism segments, including experiential, wellness and eco-tourism, may further support yield enhancement across the sector.

The long term competitiveness of the industry will also depend on continued improvements in destination management, sustainable tourism practices and policy consistency. Strengthening collaboration between public and private sector stakeholders will remain important in positioning Sri Lanka as a high-quality and sustainable tourism destination.

Under a five-year plan to CY2030, the Government aims to attract more than 5 million visitors and generate around USD 8 billion in annual tourism revenue.

The Group remains confident that the prospects for tourism, and the Leisure industry group in particular, in the medium to long term remain extremely positive. This optimism is based on the diverse range of offerings and the potential for regional tourism, supported by the availability of a comprehensive portfolio of hotels to accommodate the expected surge in demand. Sri Lanka's potential in the tourism sector remains largely untapped, considering that the country received only 2.3 million tourists prior to the Easter Sunday attacks in CY2019, while regional tourism has experienced significant growth over the past decade.

Tourist arrivals lag well below regional peers.



Cinnamon Hotels and Resorts

The businesses will continue to operate within the realigned structure put in place in 2020/21, which is a part of the Group's vision of expanding its footprint, in an asset-light model, to enable the businesses to create a holistic value proposition that leverages the round-trip offerings in Sri Lanka and the Maldives, whilst fostering greater synergies and efficiencies across the hotel portfolio resulting in an enhanced customer value proposition.

City of Dreams Sri Lanka

CODSL is expected to benefit from sustained growth in MICE activity, improving regional and Indian air connectivity, and increasing visitation to Colombo. The development is positioned to play a central role in Colombo's evolution as a destination for large-scale conferences, entertainment, and integrated leisure experiences.

As occupancies continue to build and the retail and gaming components mature, further operating leverage is expected. Gradual improvements in rate performance, together with increasing synergies across the integrated offering, are anticipated to support continued strengthening of financial performance. The development is well positioned to serve as a key driver of Colombo's long term tourism and events strategy.

Colombo Hotels

Colombo continues to evolve into a premier urban destination for both business and leisure travel in South Asia, supported by several transformative infrastructure developments. The commencement of operations at the West Container Terminal of the Port of Colombo, ongoing progress at the East Container Terminal developments at Port City Colombo are expected to significantly enhance the city's connectivity, accessibility, and overall tourism appeal, particularly in attracting business travellers. International Brands such as Shangri-la, ITC, and Radisson etc. enhance the city's profile and expands the marketing reach of its MICE venues thereby enabling to attract a broader MICE clientele.

As discussed previously, the presence of the first integrated resort in South Asia which includes gaming facilities will have a trickle-down effect on the rest of the properties in Colombo, similar to trends witnessed in other parts of world, accelerating the tourism opportunity in Colombo.

The Group will continue to closely monitor market conditions, positioning the portfolio strategically across differentiated tiers to effectively cater to diverse customer segments and demand profiles.

Sri Lankan Resorts

Given the increasing traction Sri Lanka has received as a holiday destination and the unparalleled cultural and natural landscape of the country, the prospects for the Sri Lankan Resorts segment remains positive. The Group will continue its investments to expand the Cinnamon footprint across the island, although primarily in line with the Group's asset-light investment strategy.

The Group will continue to focus on monetising its significant land bank, especially in the Southern and Eastern coasts, thereby strengthening its project pipeline for the segment. This strategic approach ensures the Cinnamon brand remains at the forefront of Sri Lanka's tourism offering, delivering compelling experiences while maintaining capital efficiency.

Maldives Tourism

Over the medium to long term, the Maldives is expected to maintain its strong global positioning as a premium island tourism destination. Continued investments in luxury hospitality developments, combined with the diversification of tourism experiences, are likely to support the destination's sustained growth.

Opportunities also exist to broaden the visitor base through increased connectivity with emerging outbound markets in Asia. At the same time, sustainability and environmental stewardship will remain central to the long term outlook of the sector, given the country's unique marine ecosystem and vulnerability to climate-related risks.

Maintaining high service standards, preserving natural assets and strengthening sustainable tourism practices will be critical in ensuring the continued competitiveness of the Maldivian tourism industry.

Maldivian Resorts

The outlook for the Maldivian Resorts segment remains constructive, with a continued focus on driving rate-led growth against the backdrop of a steadily expanding market. Improved air connectivity and the completion of airport expansion infrastructure are expected to support increased destination capacity and sustained growth in visitor arrivals. The Government's ongoing emphasis on tourism development, supported by destination marketing initiatives and infrastructure enhancements, is anticipated to further strengthen demand. While the operating environment continues to evolve, sustained investment interest in the sector and the central role of tourism within the Maldivian economy provide a positive foundation. As demand strengthens, the segment is expected to benefit from improved occupancies, supporting further recovery in profitability and creating opportunities for selective rate enhancement.

Hotel Management

The sector will continue to enhance operational efficiency, expertise, product delivery, training and skills and also develop a pipeline of Cinnamon events, aimed at developing Colombo as an entertainment hub in South Asia and reinforcing the Cinnamon brand.

Advanced Analytics

Over the medium to long term, the strategic roadmap envisions a step-change across guest intelligence, commercial performance, and in-stay experience. A foundational priority will be the consolidation of data assets to establish a unified, end-to-end view of the guest journey, unlocking richer segmentation, more relevant engagement, and stronger predictive capabilities across the business. Building on this, the commercial agenda looks toward meaningful improvements in sales productivity and pursuit effectiveness, enabling the business to convert opportunity into revenue with greater consistency. The longer term vision extends to a fundamental transformation of the in-stay experience, with the overarching objective of delivering proactive, personalised service at scale and a truly seamless guest experience.

Destination Management

The sector will continue to focus on expanding beyond traditional travel intermediary services, with an emphasis on tapping into high-potential, non-conventional channels. Growth is expected to be led by Asia, complemented by rising contributions from Australia and Bangladesh, alongside steady growth from traditional European markets. Strategic priorities include enhancing process efficiency, scaling operations, and improving overall productivity to better serve evolving traveller preferences. Leveraging digital platforms and data-driven insights will play a central role in delivering a more agile, customer-centric experience. The segment will also continue to enhance yield quality through specialised offerings across ultra luxury, wellness, nature-based and sports tourism, supporting demand diversification and reinforcing the long term growth prospects of the business.

PROPERTY

Business Model

The Property industry group operates an integrated real estate model covering both property development and management. Under Property Development, the Group undertakes large scale residential, commercial and mixed-use projects, generating value through sales and partnerships. Under Property Management, JKH retains ownership (directly or via subsidiaries) of selected assets, earning recurring income from leasing and facilities management. This approach enables a balance between development gains and stable, long term returns.

Contribution to the John Keells Group

Revenue	2%
EBITDA	4%
PBT	9%
Assets	9%
Capital Employed	10%
GHG Emissions Footprint	2%



Industry Group Structure

Property Development

- Development and sale of properties under four segments, Luxe Spaces, Metropolitan Spaces, Suburban Spaces and Leisure linked Developments.
- Vauxhall DSTRCT, a newly launched 749 unit residential apartment development based on smart living in the heart of the city.
- VIMAN, a 418 unit suburban residential apartment development located in the heart of Ja-Ela.
- Sale of exclusive land plots and development of holiday homes at Victoria Golf Resort in Rajawella, Kandy.
- Completed residential apartment projects: The Suites at Cinnamon Life, The Residences at Cinnamon Life, TRI-ZEN, OnThree20, 7th Sense, Monarch, and Emperor.

Real Estate

- Rental of office space at Cinnamon Life.
- Ownership and operation of the Crescat Boulevard mall and management of the K-Zone Moratuwa mall.
- Management of the Group's real estate portfolio.
- Operation of the 18-hole championship golf course and resort, and management of the land bank in Rajawella, Kandy.

Refer the Group Directory section for the equity holdings of the businesses – page 582.

		2025/26	2024/25	2023/24
Operational Highlights				
City of Dreams Sri Lanka				
The Residences at Cinnamon Life	No. of units	196	167	147
The Suites at Cinnamon Life	No. of units	147	127	109
TRI-ZEN	No. of SPAs	779	737	700
VIMAN	No. of SPAs	243	164	100
Financial and Manufactured Capital				
Revenue [1]	Rs.million	12,877	10,227	5,234
EBITDA	Rs.million	3,026	1,441	(822)
EBIT	Rs.million	2,923	1,340	(922)
PBT	Rs.million	3,212	1,184	(857)
PAT	Rs.million	2,957	1,123	(569)
Total assets	Rs.million	82,964	82,602	84,519
Total equity	Rs.million	71,408	57,544	77,713
Total debt [2]	Rs.million	613	926	1,033
Capital employed [3]	Rs.million	72,021	58,470	78,746
Natural Capital				
Energy consumption	GJ '000	14.27	13.75	10.48
Energy consumption per Rs.million of revenue	GJ/ Rs.million	6.35	4.52	5.35
GHG emissions footprint	tCO_2e	2,822	2,981	2,037
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	1.26	0.98	1.04
Water withdrawal	Cubic metres (m^3)	230,554	204,631	191,205
Water withdrawal Rs.million of revenue	m^3/ Rs.million	102.65	67.31	97.55
Volume of hazardous waste generated	kg	-	-	-
Volume of non-hazardous waste generated	kg	96,127	96,388	62,642
Waste generated per Rs.million of revenue	kg/ Rs.million	42.80	31.71	31.96
Human Capital				
Total workforce	No.	729	464	302
Total employees	No.	343	312	290
Total contractor's personnel	No.	386	152	12
EBIT per employee	Rs.million	8.52	4.29	(3.18)
Average training per employee	Hours	15.84	11.59	5.62
Total attrition	%	16.79	25.00	24.40
Female employees	%	29	28	27
Total number of injuries	No.	4	8	2
Social and Relationship Capital				
Community services and infrastructure projects [4]	Rs.'000	4,690	462	473

1. *Revenue is inclusive of the Group's share of equity accounted investees.*
2. *Excludes lease liabilities.*
3. *For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.*
4. *Only the contribution to John Keells Foundation.*

Value Chain

The industry group operates a vertically integrated real estate value chain that spans across land acquisition and master planning, design and development, construction and project management, sales, leasing and marketing, property and facilities management, and asset and portfolio optimisation. Each stage is supported by in-house capabilities and strategic partnerships that together convert raw land and development rights into income generating, market leading assets such as mixed-use developments, residential towers, retail precincts and leisure destinations.

Upstream
- Strategic partners including joint ventures, financiers, specialist consultants and contractor networks
- Material suppliers
- Manpower and support services

Midstream
- Site selection and land acquisition
- Product differentiation, design and construction management
- Quality control and project governance, including third-party inspections and commissioning protocols
- Operations and facilities management
- Portfolio optimisation
- Waste management

Downstream
- Sales and leasing channels





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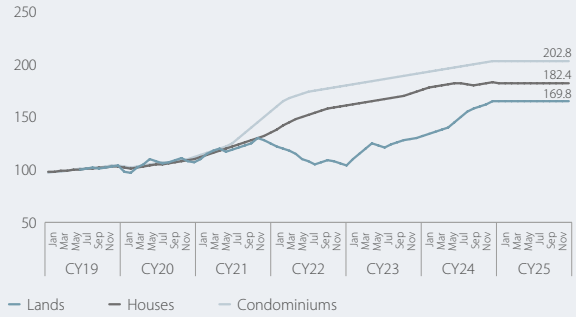
External Environment and Operational Review

Macroeconomic Update

» The construction sector accounted for 7.3% of Sri Lanka's Gross Domestic Product (GDP) in CY2025 [CY2024: 7.1%].

» Advertised (asking) price indices for lands, houses and condominiums in the Colombo District have shown a sustained upward trend since CY2019, with condominiums recording the strongest increase followed by houses and lands, reflecting sustained price pressures across property segments.

Asking Price Index for Lands, Houses and Condominiums - Colombo District
(Index CY19=100)



Source: CBSL Real Estate Market Analysis Q4 2025.

» The Sri Lanka purchasing managers' index (PMI) for construction (total activity index) compiled by the CBSL was 57.1 in March 2026 [March 2025: 54.3], indicating continued expansion in construction activities, albeit at a slower pace than the previous month due to a challenging operating environment, stemming from the conflict in the Middle East causing a limited availability of fuel and raw materials, rising costs, and logistical bottlenecks.

» During the year under review, residential development activity in Colombo and its suburbs continued to expand. Within the Colombo city area, development remained primarily concentrated in the high-end segment, resulting in an increased inventory of condominium units, driven by ongoing urbanisation and the concentration of developments within the Central Business District.

- The commencement of initial developments within the Colombo Port City, including projects such as Bay One, further contributed to the growing supply of high-end condominium inventory within the city.

Connectivity

» Progress on the Port Access Elevated Highway (PAEH) continued during CY2025, with the majority of major construction works substantially completed. Project commissioning timelines have been influenced by funding-related constraints, contractual matters and the completion of certain access ramps, resulting in the highway not yet being opened for public use.

- Once operational, the PAEH is expected to significantly enhance connectivity between Colombo's central business district, the Colombo Port, Colombo Port City and the Bandaranaike International Airport (BIA), easing congestion and supporting more efficient cargo and commuter movement. The timing of these benefits has been deferred, pending resolution of the remaining project elements.

- Construction activity on the Central Expressway progressed selectively, with Section I (Kadawatha–Mirigama) resuming following earlier suspensions, while other sections remained subject to funding availability and administrative clearances.

Key Policy and Regulatory Highlights

» Effective from 1 March 2025, the stamp duty on any instrument related to the lease or hire of property was increased from 1% to 2%.

» During the period under review, proposed housing-related legislation aimed at strengthening tenant protections was debated, with industry stakeholders highlighting potential implications for rental market dynamics and private sector participation. As at end-March 2026, these proposals had not yet been enacted.

» During the period under review, the Government continued to provide concessionary housing loan facilities to eligible public sector employees, with maximum loan limits of up to Rs.5.0 million and interest subsidies of up to 4%, supporting owner-occupied housing demand.

Overall demand within the real estate industry in Sri Lanka continued its gradual recovery momentum during the year under review, supported by moderated inflationary pressures and a low interest rate environment. A stable exchange rate and the stabilisation of key macroeconomic indicators further enhanced household affordability and investor sentiment, particularly within the mid-tier and suburban market segments. Persistently low yields on fixed income instruments also increased the relative attractiveness of real estate as an investment class.

Demand-led growth was most evident in the metropolitan and suburban segments, while the luxury segment remained relatively subdued for completed projects. Market conditions reflected a period of adjustment following the economic dislocations of prior years, with pricing and construction costs largely stabilising at new equilibrium levels.

The metropolitan segment recorded the strongest performance during the year, driven by a marked resurgence in residential and rental demand, supported by improved investor sentiment and the absorption of existing apartment supply. The suburban segment similarly demonstrated robust growth, supported by affordability considerations, improved connectivity, and the expansion of the buyer base beyond Colombo city limits. In contrast, the luxury segment experienced slower absorption, reflecting higher price points and residual inventory across select developments.

A notable development during the year was the strong resurgence in rental demand across both the residential and office spaces. Following the economic downturn, commercial space rental levels, which had declined to historically low levels, began to recover as market

conditions improved. This recovery was underpinned by higher office occupancy levels and a sustained increase in business activity drove renewed demand for office space. As the year progressed, absorption of commercial office space increased steadily across Colombo, supported by growing interest from business process outsourcing (BPO) companies, particularly, and renewed tenant demand. The resulting inflow of expatriates and offshore linked professionals into Colombo contributed to a broad based strengthening of rental demand across both commercial and residential property segments, generating positive spillover effects within the wider real estate market.

Retail mall operations also recorded improved performance during the year, supported by higher retail activity and increased customer spending.

In line with broader trends in the Sri Lankan real estate industry, the Property industry group recorded a steady recovery in demand and sales of its real estate inventory during the year under review.

City of Dreams Sri Lanka

The year under review marked a significant milestone for CODSL, with the opening of the ultra-luxury Nuwa hotel, the casino, and the first phase of the retail mall in August 2025, culminating in the commencement of operations, as a fully integrated resort. With all components of the development operational, the project began to demonstrate its full commercial potential.

Refer the Leisure industry group for a discussion on the hotel, retail and entertainment components – page 223.

Residential and Office Towers

Sales at the residential and office towers at Cinnamon Life operated within an improved market environment during the year under review. Residential demand in the luxury apartment segment witnessed an encouraging resurgence of interest although the number of transactions in the segment still remains subdued, reflecting continued price sensitivity among prospective buyers and rental yields recovering at a lower momentum. The cumulative number of units sold for the year under review was 343 units [2024/25: 294 units].

The Offices at Cinnamon Life witnessed an encouraging performance, with five floors sold, and the remainder of the 19 floors leased out, achieving full occupancy, reinforcing the property's positioning as a premier mixed use commercial destination. During the year five floors were leased. Leasing momentum was driven by increased demand from foreign and offshore linked enterprises establishing or expanding their operations in Sri Lanka, which has resulted in strong demand for office and residential apartment spaces in the city, leading to higher rental yields.

"The Offices at Cinnamon Life witnessed an encouraging performance, with five floors sold, and the remainder of the 19 floors leased out, achieving full occupancy, reinforcing the property's positioning as a premier mixed use commercial destination."

	The Suites at Cinnamon Life	The Residences at Cinnamon Life	The Offices at Cinnamon Life
Structure	» 39-storey tower » Total of 196 apartment units	» 45-storey tower » Total of 231 apartments units	» 30-storey tower » 24 floors allocated for outright sales and rent » Features five floors reserved for car parking
Number of units sold/ occupied as at 31 March 2026	147 units sold (75% sold)	196 units sold (85% sold)	» Five floors sold outright » 19 floors rented (100% of floors sold/occupied in total)

As at 31 March 2026, ~91% of the residential units sold were handed over.

Awards and Accolades

» The Offices at Cinnamon Life was awarded Gold by GreenRE Certification in the 'Existing Non-Residential Category' for sustainable real estate excellence.

TRI-ZEN

TRI-ZEN, positioned within the metropolitan residential segment, continued to record sustained levels of absorption, while improving rental yields within the metropolitan market provided incremental support to buyer sentiment during the year.

The development continued to benefit from its location, product offering and appeal to yield focused investors, reflecting the broader recovery observed in urban residential demand.

Cumulative sales for the TRI-ZEN residential development project increased by 42 units to 779 units, out of a total 897 units in the project. During the year, apartment sales saw a slight moderation as there was supply of units through the secondary market post completion of the development. TRI-ZEN is now seeing renewed momentum as most of the secondary market sales have now been absorbed.

TRI-ZEN Cumulative units sold 2025/26:
779 SPAs [2024/25: 737 SPAs]

VIMAN

Sales interest in the VIMAN residential development, located in the heart of Ja-Ela, a suburban area in close proximity to Colombo, remained robust throughout the period. The development attracted a broadening customer base, including first-time homebuyers and investment-focused purchasers, with particularly strong demand from buyers based in surrounding cities.

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In response to favourable demand conditions, the fourth and final phase of the project, comprising 152 units, was launched towards the end of November 2025. Cumulative SPAs signed was 243, with 175 units remaining to be sold.

	Cumulative Sales and Purchase Agreements (SPAs) as of 31 March 2026	Percentage Sold	Construction Completion Timeline
Phase 1	109 SPAs of 114 units	96% sold	Q2 2026/27
Phase 2	63 SPAs of 76 units	83% sold	Q2 2026/27
Phase 3	49 SPAs of 76 units	64% sold	Q4 2026/27
Phase 4	22 SPAs of 152 units	14% sold	Q3 2027/28

During the year, the development project achieved ISO 45001 certification, reflecting leadership commitment, close collaboration between the project management and health, safety and environment (HSE) teams, and a structured approach to managing occupational health and safety risks. The certified occupational health and safety management system (OHSMS) provides a consistent framework to support worker protection, regulatory compliance, and the ongoing improvement of safety performance across the project lifecycle.

Construction continued to progress well during the year, with the structural completion of both phases 1 and 2, and construction of phase 3 commencing as scheduled. Phases 1 and 2 are expected to be handed over in Q2 2026/27 after the completion of construction. Revenue recognition is expected to follow a gradual ramp-up in line with the proportion of construction completion for each of the phases.



VIMAN - structural completion of both phase 1 and phase 2.

Vauxhall DSTRCT

In March 2026, John Keells Properties launched its newest project, Vauxhall DSTRCT, a residential development located in Colombo 02. This represents the first major property development in the metropolitan segment undertaken by the Group since the financial crisis in Sri Lanka and the Covid-19 pandemic.

The project is positioned to cater to the increasing demand for centrally located, integrated urban living spaces, while serving as a strategic initiative to optimise the value of the Group's prime land bank within the city of Colombo. It is designed to capitalise on emerging opportunities within the metropolitan residential segment, targeting niche demand in a gradually recovering urban property market. Reflecting expectations of continued economic expansion and increasing urbanisation, demand for residential developments in Colombo is anticipated to strengthen over the medium term, with a sustained shift towards vertical living expected to support long term growth in the city's residential real estate market.

The development is designed as a high-rise residential tower comprising of residential units catering to an urban living environment that complements contemporary living. The project offers residents panoramic views across central Colombo, while its close proximity to key commercial, administrative, and transport hubs provides convenient access to the wider city, enhancing the overall attractiveness of the development.

Vauxhall DSTRCT is expected to contribute towards the ongoing urban regeneration of the Colombo city centre, aligning with broader trends favouring high-density, mixed-use developments. The project also reflects the Group's continued focus on diversifying its residential portfolio to include integrated developments that cater to evolving customer preferences.

Preliminary sales interest has been strong, with significant positive traction observed following the launch. The project is planned to be implemented in phases to de-risk the development, with construction expected to commence upon achieving a threshold pre-sales limit. Subsequent releases of the remaining phases will continue to be aligned to market demand and prevailing economic conditions.

Insights

Features	Details
Location	Colombo 2 (Vauxhall Street).
Units	749 units – with a mix of one, two, three and four bedroom apartments.
Planned completion	During year 2031/32.
Collection	Will be in a phased-out manner.
Revenue recognition	Based on the percentage of completion.



Vauxhall DSTRCT was launched in March 2026.

Rajawella Holdings Limited (RHL)

RHL possess a vast land bank within the Victoria Golf Resort in Digana, which includes scenic land parcels, townhouses and villa developments, including a golf course under the management of Troon International.

	RHL Property Management	RHL Property Development			
		Peacock Valley	Sunrise Ridge	Mara Ridge	Ridgeview
Offerings at RHL	» Operation of a championship 18-hole golf course. » Management of the Victoria Golf Resort.	9 land plots (100% sold)	16 land plots with villas (94% sold)	4 land plots (100% sold)	34 land plots (53% sold)
Performance during the year	» Operations noted an overall improvement across all segments with increases in room nights, weddings, golf operations and food and beverages (F&B) as a result of better visibility and stronger channel contribution. » Visitation by foreign guests grew via new partnerships across multiple markets and foreign golf clubs.	» Momentum in the sale of land plots continued during the year, considering an improvement in consumer activity and a stable macroeconomic environment.			



Awards and Accolades

» Received the following awards from World Golf Awards:
- 'Sri Lanka's Best Golf Course for 2025'.
- 'Sri Lanka's Best Golf Hotel for 2025'.

"In March 2026, John Keells Properties launched its newest project, Vauxhall DSTRCT, a residential development located in Colombo 02. The project is positioned to cater to the increasing demand for centrally located, integrated urban living spaces, while serving as a strategic initiative to optimise the value of the Group's prime land bank within the city of Colombo."

Mall Operations

Mall operations during the year was driven by an increase in footfall whilst occupancy levels remained broadly stable during the year. Growth in footfall was supported by the recovery in tourist arrivals, improved consumer confidence and an increase in consumer activity. The mall's positioning as a lifestyle and food and beverage led destination supported tenant demand and sustained engagement, aligning with the Group's longer term strategy for the property.

The K-Zone Moratuwa mall remained at full occupancy during the year under review.

Land Banking Strategy

The Group continues to evaluate investment opportunities within emerging suburban areas of Colombo for inclusion within the industry group's Suburban Spaces segment. This strategy is underpinned by the growing demand potential in suburban markets, driven largely by the comparatively high price levels of residential apartments within central Colombo.

The Group's existing portfolio of freehold land provides a strategic opportunity to further expand its presence in the suburban residential segment and capitalise on evolving market dynamics.

In addition, the Group will commence a review of land banks held under the Leisure industry group to assess their potential for leisure-linked developments in key tourist destinations.

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Financial Performance Review

The discussion in this section is framed by the external environment and operational performance discussed previously, together with the non-financial considerations outlined in the section that follows.

Income Statement Indicators

Rs.million	2025/26	2024/25	%
Revenue*			
Property Development	12,198	9,441	29
Property Management	679	785	(14)
Total	12,877	10,226	26

**Including share of revenue of equity accounted investees.*

» Property Development

- The increase in revenue is mainly on account of revenue recognition at the following:
  - VIMAN – apartment sales for each phase of 68%, 62%, and 33% for phase 1, 2 and 3, respectively, as detailed in the External Environment and Operational Review section.
  - Cinnamon Life – 49 apartments and the lease of five additional office floors.
  - TRI-ZEN – 42 units sold during the year.

» Property Management

- The performance of the mall operations improved driven by higher rental rates at Crescat, whilst occupancy levels remained similar to the previous year.
- A decrease in management fees earned from TRI-ZEN due to relatively lower unit sales compared to the previous financial year, which impacted overall revenue growth for the sector.

Rs.million	2025/26	2024/25	%
EBITDA*			
Property Development	3,076	1,322	133
Property Management	(50)	119	(142)
Total	3,026	1,441	110
PBT**			
Property Development	3,307	1,107	99
Property Management	(95)	77	(223)
Total	3,212	1,184	171

**EBITDA includes interest income and the share of results of equity accounted investees which is based on the share of profit after tax but excludes all impacts from foreign currency exchange gains and losses (other than for equity accounted investees), to demonstrate the underlying cash operational performance of businesses.*

***Share of results of equity accounted investees are shown net of all taxes.*

» The growth in EBITDA and PBT in the Property Development sector is on account of the above mentioned revenue increases. PBT growth was further driven by lower finance costs at TRI-ZEN, which records the Group's share of profit after tax as it is an equity accounted investee (50%).

» Discussion on EBITDA for the Property industry group is inclusive of fair value gains/losses on investment property (IP). The Group is of the view that fair value gains/losses on IP are integral to the industry group's core operations, given the land banking and real estate strategy and the intention of monetising such land through development and sales.

- The fair value gains/losses on IP for the industry group amounted to a gain of Rs.1.26 billion in 2025/26, recognised mainly from The Offices at Cinnamon Life, in comparison to the gain of Rs.795 million recorded in 2024/25.

Recurring Adjustments

» A deferred tax credit of Rs.128 million was recognised during the year on account of the tax losses recorded and carried forward on the project as a result of the timing of project profits. This will reverse in the ensuing years once the remaining revenue and profit recognition of the project is recorded. The charge has been recognised within the Property Development sector, under the Property industry group.

» Excluding the deferred tax credit impact, the recurring EBITDA of the Property industry group was Rs.2.96 billion, a 106% increase over the previous year.

Balance Sheet Indicators

Rs.million	2025/26	2024/25	%
Assets			
Property Development	69,643	72,632	(4)
Property Management	13,321	9,970	34
Total	82,964	82,602	0
Debt*			
Property Development	357	496	(28)
Property Management	256	430	(40)
Total	613	926	(34)

**Excludes lease liabilities.*

» Assets of the Property Development sector declined from a decrease in apartment inventory due to sales.

» Total debt recorded a decline due to a reduction in bank overdrafts and repayments at Crescat (Property Management).

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT margin (%)	x	Asset turnover	x	Capital structure leverage
2025/26	4.5		22.7		0.16		1.27
2024/25	2.0		13.1		0.12		1.22

» The increase in ROCE of the Property industry group is mainly attributable to a growth in EBIT arising from sales of residential apartments and units, and rental income. The business will continue to focus on its strategy of monetising its strategic land bank with a view to unlocking capital and improving asset utilisation or realisation.

Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the GRI Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted by the Group to manage them.

Material Impact Topics

The Property industry group is cognisant of the impacts of its business operations and engages with key stakeholders including its financiers, contractors, consultants, regulators, service providers, employees and manpower, investors and tenants, towards managing and mitigating its material sustainability impacts topics such as training and development, energy management, business conduct and ethics, diversity and equal opportunity, health and safety, and product safety and quality.

Risks arising from these impact topics as well as risks arising from key dependencies form the basis of the SRROs and CRROs considered by the Property industry group. The specific SRROs and CRROs of the industry group are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified risk management framework across the full value chain, upstream procurement and supply, midstream construction and operations, and downstream sales, leasing and asset management. Risks are identified through value chain mapping, scored on the Group 5×5 impact × likelihood matrix, and assessed for short, medium and long term effects on financial position, financial performance, cash flows and cost of capital. The implications on the industry group's financial position were undertaken on a judgemental basis during the year, while a more comprehensive financial assessment of the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the Group to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic trends and megatrends affecting the industry, together with a detailed assessment of the industry group's value chain, a number of risks were identified as material during the year.

This exercise resulted in the identification of financially material risks, which are managed through the strategies set out in this section.

Extreme Weather and Episodic Events

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR - Acute Physical				
Midstream Design and construction management	Storms, heavy rainfall and flooding cause site damage, construction delays and business interruption.	Short/Medium	» Physical damage to assets. » Business interruption and cash flow volatility. » Project delivery and capital expenditure. » Health and safety. » Insurance claims and access to finance.	» Flood resilient site design, elevated critical systems and temporary protections.

Rising Baseline Temperatures

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR - Chronic Physical				
Midstream Design and construction management and operations and facilities management	Gradual warming increases cooling demand, accelerates material degradation and reduces occupant comfort across assets.	Long	» Physical assets and operations. » Operating costs (energy). » Asset valuation. » Revenue (occupancy/ tenant retention). » Insurance and maintenance costs.	» Retrofit heating, ventilation, and air conditioning (HVAC) and passive cooling, façade shading and thermal upgrades. » Targeted capital allocation for retrofits and on-site renewables. » Facilities and asset teams to implement upgrades with building management system (BMS) vendors.

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Construction and Operational Waste Streams

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Waste				
Midstream Waste Management	High volumes of construction debris and poor disposal practices create regulatory, remediation and reputational exposures.	Short/Medium	» Regulatory compliance and liabilities. » Operating and remediation costs. » Reputation and stakeholder trust. » Lifecycle environmental footprint (embodied impacts).	» Implement on site segregation and reuse targets. » Invest in waste handling equipment and contractor training on circular practices. » Green procurement clauses and certified waste collection vendors.

Biodiversity, Site Preparation and Land Use Impacts

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Environment Management				
Midstream Site selection and land acquisition, product differentiation and design and construction management	Clearing, grading and earthworks can damage habitats, alter hydrology and trigger permit delays or community opposition.	Medium	» Permitting and legal compliance. » Project timelines and capital costs. » Biodiversity and ecosystem services. » Community relations and social licence to operate.	» Implement environmental quality management systems. » Minimise footprint, erosion control, habitat retention. » Early Environmental Impact Assessments, biodiversity action plans, community engagement.

Dust, Noise, Vibration and Traffic Impacts

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Pollution				
Midstream Design and construction management and operations and facilities management	Dust, noise, vibration and traffic from construction and operations create complaints, enforcement risk and stoppages.	Short	» Regulatory compliance and fines. » Community and stakeholder trust. » Operational continuity (work stoppages). » Workforce health and safety.	» Dust suppression, noise barriers, traffic management. » Train site crews and community liaison staff. » Appoint community relations leads and enforce contractor health, safety and environmental standards.

Industry Group key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Businesses evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Water and Energy Management

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Operational capability: Water and Energy Management				
Midstream Operations and facilities management	Appoint a dedicated water and energy manager to centralise metering, analytics, efficiency projects, resilience planning and tenant engagement across the property portfolio. The role coordinates retrofits, demand management, on site generation, water reuse and reporting to improve operational performance and disclosure quality.	Short/Medium	» Energy and water consumption, Scope 1/2 emissions, Scope 3 reporting quality, operating costs (operational expenses), asset operating margin, regulatory compliance and physical water risk.	» Appoint/ deploy a water and energy manager to standardise metering and baseline energy/ water audits. » Implement priority retrofit pipeline (BMS tuning, light-emitting diode (LED), efficient HVAC, low flow fixtures, leak detection).

Supply Chain Resilience

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: SRO - Supply Chain Resilience				
Midstream Material suppliers and manpower and support services	Strengthen local supplier governance, traceability and multi-sourcing to reduce disruption risk and improve Scope 3 data quality towards enhancing local sourcing.	Short/Medium	» Supply continuity, procurement compliance, Scope 3 disclosure quality, contract and reputational risk.	» Implement supplier due diligence, digital traceability, contract service level agreements (SLAs) and audit cadence.

Sustainable Transition Advantage (Compliance and Finance)

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Transition Readiness and Green Finance				
Upstream Financial partnerships **Downstream** Sales and leasing	Proactively align projects with emerging regulations and investor expectations, to enhance access to green financing opportunities and favourable permitting processes.	Short/ Medium	» Cost of capital, access to green finance, regulatory compliance, contract eligibility, disclosure obligations.	» Standardise climate disclosure, green loan readiness and regulatory horizon scanning.

Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Property industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures (SOPs) to manage such material topics, quarterly capture and tracking of key performance indicators based on the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards, and the communication of the Property industry group performance to the Sector Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Property industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Property industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

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Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Resilient Assets and Operations

Enabling resilient infrastructure through climate risk integration.

The industry group continued to strengthen the resilience of its development and operational assets in response to both acute and chronic climate-related exposures. Acute weather events, including storms, heavy rainfall and flooding, created material risks to construction progress, site safety and long term asset operability. Increased rainfall variability and more frequent high intensity storms led to project delays, rework on partially completed structures and heightened safety risks across active sites. Operational assets with outdoor spaces or exposed infrastructure experienced a higher likelihood of service disruption during adverse weather.

In parallel, rising temperatures emerged as a chronic climate risk that may affect asset performance, operating costs and long term valuation. Higher baseline temperatures have the potential to increase cooling loads across residential, retail, leisure and mixed-use developments, which may affect tenant comfort, asset efficiency and maintenance cycles.

To manage these exposures, the industry group advanced an integrated resilience agenda across planning, design, construction and asset operations. Key measures included improved site drainage and runoff planning, elevated placement of critical systems, temporary weather protection structures, strengthened contractor safety protocols, and climate risk mapping at the concept design stage. On the operational side, HVAC optimisation, phased system upgrades, passive cooling improvements, building management system tuning and targeted retrofits were introduced. Real time weather monitoring and insurance options further improved preparedness.

These initiatives increase near term construction management and retrofit costs, but medium term benefits include reduced rework, fewer delays, lower insurance claims, lower repairs and improved project predictability.

Integrated People and Service Excellence

Advancing workforce capability, safety, and guest satisfaction.

Local pollution from construction and operational activities, including dust noise, vibration and traffic impacts, remained potential source of risk for workforce safety, tenant experience and community relations, which could lead to higher complaint volumes and increased scrutiny from local authorities.

To address these risks, the industry group implemented a community focused mitigation programme across priority sites. Measures included dust suppression systems, wheel wash facilities, acoustic barriers, vibration controls, restricted working hours and improved traffic management. A dedicated community liaison function was established to strengthen responsiveness and engagement. Site teams were trained in pollution control, responsible construction practices and grievance handling.

These initiatives increase near term spending on mitigation equipment and monitoring tools, but medium term benefits include fewer complaints, reduced regulatory risk, lower likelihood of work stoppages and stronger community relationships. Future actions include standardising environmental monitoring across active sites, setting complaint response KPIs and integrating community engagement performance into contractor scorecards.

Sustainable Transitions and Resource Stewardship

Strengthening environmental stewardship and sustainable construction practices.

The industry group strengthened its approach to environmental management, biodiversity protection, circularity and resource efficiency across the development life cycle. Biodiversity and land use impacts became increasingly material as regulators, financiers and communities placed greater emphasis on ecological protection and responsible development. Site preparation activities such as clearing, grading and earthworks were key exposure points, particularly in locations with sensitive ecosystems or complex hydrology. These risks affected permitting timelines, stakeholder engagement demands and mitigation costs.

To mitigate these impacts, early environmental impact assessments, biodiversity baseline studies, erosion control measures, reduced site footprints, habitat retention plans and structured community engagement, were implemented. Additional measures included ecological consulting, hydrological modelling and the incorporation of nature positive design features. Although these actions increase near term consulting and mitigation costs, they support smoother permitting, reduce remediation liabilities and strengthen long term compliance and social licence.

The disposal of waste generated during construction and refurbishment is considered an important operational risk of the sector. High volumes of demolition debris, inconsistent segregation and limited recycling capacity increased operating costs and enhances the risk of compliance. In response, the sectors introduced a circularity and waste stewardship programme that included on site segregation, certified disposal partners, and introduction of circular procurement requirements.

Water and energy management also emerged as a core opportunity as rising temperatures, water scarcity and energy price volatility influenced operating costs and asset resilience. Portfolio wide metering, HVAC tuning, BMS optimisation at selected locations, LED retrofits and leak detection were implemented by the respective businesses. These measures increase near term capital expenditure, but medium term benefits include lower utility costs, reduced downtime, improved tenant satisfaction and enhanced eligibility for green financing.

Planned next steps across all sustainability initiatives include standardising biodiversity screening in pre-construction approvals, expanding circular procurement, scaling material recovery pilots, integrating embodied carbon metrics into design and tendering, and embedding water and energy efficiency KPIs into asset management scorecards.

Ethical Governance and Digital Trust

Strengthening governance, supply chain resilience, and responsible sourcing.

The sector continued to strengthen governance and compliance mechanisms as part of its long term transition strategy. Supply chain resilience emerged as a critical opportunity as climate, regulatory and market pressures reshaped procurement and vendor assurance requirements.

To manage these challenges, the industry group implemented enhanced contractor governance, including the introduction of environment, social and governance (ESG) linked evaluation criteria, preferred supplier lists with verified compliance, multi-sourcing for high risk categories and sustainability clauses embedded in contracts, which is expected to provide medium term benefits of improved cost predictability, fewer delays, better Scope 3 data quality and stronger eligibility for green financing.

Early environmental assessments, climate risk mapping and improved documentation supported more efficient approval pathways and stronger alignment with investor and lender expectations. Although these processes increase near term consultant and design costs, they support faster approvals, and lower regulatory risk. Planned actions include embedding climate risk standards into new developments, expanding green financing assessments and enhancing external assurance for environmental disclosures.

Key Non-Financial Performance Indicators

During the year under review the Property industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis, with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Property industry group were assessed based on the relevant GRI Standards and SASB Standards key performance indicators.

- Within the Property Management sector, GHG emissions and energy utilisation intensity decreased by 4% and 2%, respectively, reflecting improved energy management across office locations. Water intensity increased by 1%, driven by higher consumption at K-Zone and increased tenant occupancy in the mall. There were no injuries or fatalities reported during the year.
- At RHL, GHG emissions, energy, and water utilisation intensity, each decreased by 25%, 24% and 25% respectively during the year, supported by an increase in guest nights. In contrast, waste intensity increased by 51%, reflecting higher waste generation from increased operations. Workplace accidents decreased to 4 from 8 in 2025/26, with no high-consequence injuries or fatalities reported. Staff attrition decreased by 20% compared to 2024/25.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Property industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

Initiatives

During the year under review, the Property industry group undertook the following industry specific initiatives targeting its material sustainability impact topics and SRROs and CRROs.

Environmental Initiatives

- VIMAN, a suburban residential apartment development, features energy efficient design, renewable energy integration, water conservation systems, extensive green spaces, and community focused amenities aiming to enhance resident well-being while reducing environmental impact and supporting a comfortable, sustainable lifestyle.

Social Initiatives

- Since CY2003, John Keells Properties (JKP) together with John Keells Foundation (JKF), has partnered with Sri Lanka Railways to restore and maintain the historic Kompanna Vidiya Railway Station, contributing to improved accessibility, commuter safety, and the overall urban environment.
- JKP and JKF also partnered with the Early Childhood Development unit of the Ministry of Provincial Education and the Medadumbara Pradeshiya Sabha to establish and complete the Nithulemada Preschool, creating a safe, permanent learning space that improves access to early education.

INDUSTRY GROUP REVIEW

PROPERTY

Outlook

The outlook for the Property industry group remains positive, supported by improving rental fundamentals, stabilised construction costs and a gradual recovery in investor confidence. Demand is expected to continue to be led by the metropolitan and suburban segments, underpinned by limited new supply, improving office occupancy and sustained interest in yield-accretive residential assets. While the luxury segment is likely to experience a more measured recovery given new inventory levels and price sensitivity, the overall market environment is expected to remain supportive for both pricing and absorption within the other segments. Against this backdrop, the Group will continue to prioritise capital efficiency, phased execution and selective deployment across projects aligned with demonstrated demand dynamics.

Key risks, trends and opportunities relevant to the industry group:

Risk Landscape

- Macroeconomic and political environment volatility*
  - Reduction in customer purchasing power
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
  - Potential increase in construction costs stemming from geopolitical tensions, global impacts and domestic developments
- Financial exposure*
  - Exchange and interest rate volatility
- Human resource-related risks including talent attrition and employee health and safety*
  - Shortages in skilled and technical workers
- Environment and biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Potential opportunities stemming from CODSL integrated resort in Colombo
- Limited new supply entering the market in the short term, which supports potential upside for new launches in the medium to long term
- Emerging demand for properties in suburban areas
- Increasing urbanisation and connectivity
- Increasing demand for mid-tier housing units within Colombo
- Increasing demand for commercial space
- Higher traction towards apartments versus landed housing in line with regional peers
- Increase in demand for short term rentals and hospitality-linked real estate in line with the recovery in tourism
- Favourable mortgage terms with declining lending rates

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Immediate to Short Term

- Buyer sentiment and investor interest in real estate are expected to gradually recover in the near term, supported by improving macroeconomic stability, easing interest rates, and a gradual improvement in mortgage affordability. However, demand is likely to remain selective, influenced by income recovery and borrowing capacity.
- Residential property development demand is expected to be primarily driven by the metropolitan and suburban segments. The luxury segment is expected to remain comparatively subdued in the near term, reflecting existing inventory overhangs and yield differentials.
- Stabilisation of construction costs has improved project feasibility, though the risk of supply chain disruptions and global commodity price volatility remains.
- The Group will continue to explore investment opportunities in the emerging suburban areas of Colombo to expand into this segment, given the growing demand and potential of the suburban market on account of the high prices associated with residential apartments in Colombo and a lower investment required for land banks in such areas compared to the city of Colombo.
- Increasing tourist arrivals are expected to continue to fuel demand for short term apartment rentals and hospitality-linked offerings.
- The Group will continue to strengthen the value proposition at RHL by expanding the offering and services of the property as a destination.
- Risks arising from the conflict in the Middle East, though indirect to the industry, are primarily transmitted through inflationary pressures, interest rate dynamics, and investor sentiment, with downside risks contingent on the duration and severity of the conflict. The Group continues to monitor the situation closely to manage potential impacts while remaining well positioned to respond to any shifts in regional demand dynamics.

Medium to Long Term

Considering evolving business models, the Property industry group will assess the business landscape to understand possible lasting shifts in real estate demand. Aspects such as increasing demand for commercial and residential spaces, an emerging middle-class demographic, a pipeline of public infrastructure projects, increasing urbanisation and connectivity are envisaged to drive long term growth in the property and real estate sectors. Additionally, CODSL is expected to be a catalyst for growth in Colombo's property market.

Residential Real Estate

- Prospects for the housing market in Colombo and the suburbs continue to be promising on the back of drivers such as the expanding middle-class demographic, increased commercial activity within Colombo and potential for increased GDP per capita and changing lifestyle aspirations.
- With individuals increasingly moving towards urban areas, there is a robust and emerging market for mid-tier, multi-family housing solutions within and in close proximity to such commercial hubs.
- The market for vertical and middle-income housing, in particular, is expected to experience significant growth, in line with the trajectory of its regional peers, given increasing land prices in Colombo and the high costs associated with the construction of single-family houses.

» The share of apartment dwellings in Colombo remains relatively low compared to regional peers, presenting a long term opportunity for vertical housing.

» The Group expects to monetise its existing extensive land bank of prime real estate in Colombo and other locations in the country to generate returns above the Group hurdle rates over the next 8-10 years given the scale and staggered development of the projects envisaged.

Commercial Real Estate

» The opportunity for high-end 'A-Grade' office space is more pronounced as more global companies move to establish offices within the city, especially in the financial services and BPO sectors.

» The transformation of Colombo into a financial and commercial hub through large scale investment projects such as Port City Colombo coupled with an increase in business activity is envisaged to drive demand in this segment. The absence of adequate infrastructure and management facilities of the current supply, in comparison to modern workspaces, also presents an opportunity.

» Based on market opportunity, the industry group will continue to expand its commercial real estate offering at the appropriate time and at attractive price points.

» The Group shall actively evaluate the mix of offerings at the malls to ensure relevance with evolving customer preferences, to enhance asset value and sustain footfall, including converting select mall spaces into indoor F&B and lifestyle experiences based on demand dynamics.

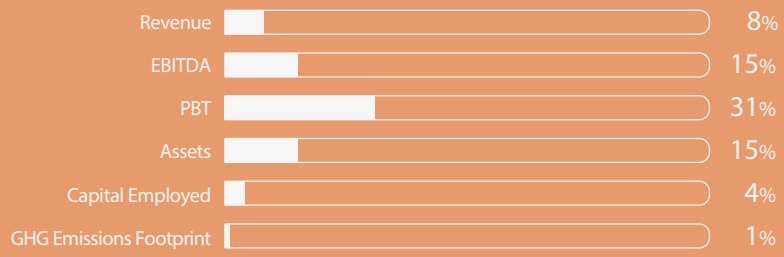
"Aspects such as increasing demand for commercial and residential spaces, an emerging middle-class demographic, a pipeline of public infrastructure projects, increasing urbanisation and connectivity are envisaged to drive long term growth in the property and real estate sectors."

FINANCIAL SERVICES

Business Model

The Financial Services industry group comprises a diversified portfolio of banking, insurance, and stockbroking businesses. The Group's insurance operations, conducted through Union Assurance PLC (UA) and the stockbroking business John Keells Stock Brokers (Private) Limited (JKSB), held as subsidiaries, while its banking business is represented through an equity accounted investee, Nations Trust Bank PLC (NTB).

Contribution to the John Keells Group





Industry Group Structure

Insurance

» Comprehensive life insurance solutions through UA.
- Sri Lanka's pioneering private life insurer with over 329,000 lives insured.
- Leading bancassurance provider.

Banking

» End-to-end banking solutions through NTB.
- Network of branches for personal and commercial banking.
- Sole acquirer of the flagship centurion product range of American Express cards in Sri Lanka.
- Completed the acquisition and transition of the Retail Banking Business of Hongkong and Shanghai Banking Corporation (HSBC), Sri Lanka on 2 May 2026.

Stockbroking

» Stockbroking services through JKSB.

Refer the Group Directory section for the equity holdings of the businesses – page 582.

		2025/26	2024/25	2023/24
Operational Highlights [1]				
UA				
New business growth	%	11	12	12
GWP growth	%	19	14	13
NTB				
Loan growth	%	50	6	12
Net interest margins	%	6.1	6.9	7.7
Stage 3 loan ratio (net)	%	0.9	1.6	2.3
Financial and Manufactured Capital				
Revenue [2]	Rs.million	44,158	38,140	33,336
EBITDA	Rs.million	11,644	10,909	9,296
EBIT	Rs.million	11,638	10,904	9,293
PBT	Rs.million	11,638	10,878	9,293
PAT	Rs.million	9,846	9,367	7,794
Total assets	Rs.million	138,268	120,799	104,453
Total equity	Rs.million	30,147	29,171	28,263
Total debt [3]	Rs.million	145	117	75
Capital employed [4]	Rs.million	30,831	29,859	28,745
Natural Capital				
Energy consumption	GJ '000	7.54	7.54	6.01
Energy consumption per Rs.million of revenue	GJ/ Rs.million	0.30	0.35	0.32
GHG emissions footprint	tCO_2e	1,555	1,602	1,080
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	0.06	0.08	0.06
Water withdrawal	Cubic metres (m^3)	18,024	18,731	15,994
Water withdrawal Rs.million of revenue	m^3/ Rs.million	0.71	0.88	0.86
Volume of hazardous waste generated	kg	31	5,345	-
Volume of non-hazardous waste generated	kg	1,697	1,213	4,155
Waste generated per Rs.million of revenue	Kg/ Rs.million	0.07	0.31	0.22
Human Capital				
Total workforce	No.	4,376	4,604	4,184
Total employees	No.	871	828	744
Total contractor's personnel	No.	3505	3,776	3,440
EBIT per employee	Rs.million	13.36	13.17	12.49
Average training per employee	Hours	16.83	42.89	13.70
Total attrition	%	29.08	31.77	44.00
Female employees	%	52	52	50
Total number of injuries	No.	-	-	1
Social and Relationship Capital				
Community services and infrastructure projects [5]	Rs'000	8,664	8,722	8,813

1. *Key performance indicators for the calendar year.*
2. *Revenue is inclusive of the Group's share of equity accounted investees.*
3. *Excludes lease liabilities.*
4. *For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.*
5. *Only the contribution to John Keells Foundation.*

Value Chain

The Financial Services value chain, spanning life insurance through UA and capital market services through JKSB comprises interconnected upstream, midstream and downstream activities, as illustrated below.

Each stage presents unique risks, opportunities, and environmental, social, and governance (ESG) considerations.

	Union Assurance	John Keells Stock Brokers
Upstream	» Technology platform providers » Stationery and consumables providers » Support service providers » Insurance sales staff (for UA only) » Investors (for UA only)	
Midstream	» Product design and development » Marketing and selling insurance products » Underwriting and risk assessment » Policy issuance and customer onboarding » Premium collection » Fund management » Internal functions and maintenance » Claims management and payouts » Customer relationship management	» Staff onboarding and retention » Client acquisition and onboarding » Research and advisory » Order placement and execution » Clearing and settlement » Record keeping and compliance » Customer relationship management
Downstream	» Customers » Regulators » Investors (for JKSB only)	



INDUSTRY GROUP REVIEW

FINANCIAL SERVICES

External Environment and Operational Review

Macroeconomic Update

» Sri Lanka's financial services industry continued its recovery in 2025/26, underpinned by stabilising macroeconomic conditions, easing inflation, and improving investor confidence. The industry recorded an expansion of 3% [2024/25: contraction of 2%], contributing ~5% of GDP [2024/25: 5%], reflecting steady growth across banking, insurance, and capital markets.

Key Policy and Regulatory Highlights

» The Central Bank of Sri Lanka (CBSL) reduced the Overnight Policy Rate (OPR) in May 2025 to 7.75%, from a previous 8.00%, providing a stable interest rate environment for lending and deposits. The Statutory Reserve Ratio (SRR) on Rupee deposits of Licensed Commercial Banks (LCBs) remained at 2.0%.

» The insurance regulatory framework was further strengthened through updated Insurance Regulatory Commission of Sri Lanka (IRCSL) directions, guidelines and a circular, alongside enhanced customer due diligence guideline from the CBSL. The IRCSL measures reinforced oversight of product distribution, disclosures, customer onboarding and data protection, strengthened Board and senior management accountability, and enhanced Anti Money Laundering (AML)/ Countering the Financing of Terrorism (CFT), risk management and fair treatment of customers, while the circular clarified enforcement expectations for regulatory non-compliances. In parallel, CBSL's enhancements tightened risk-based Know Your Customer (KYC), beneficial ownership identification and ongoing monitoring requirements.

Macroeconomic Update - Insurance

» The insurance sector maintained robust growth during the year. Total assets reached Rs.1.36 trillion in 2025/26, a 12% increase over Rs.1.21 trillion in 2024/25. Gross written premium (GWP) rose by 12% to Rs.351.00 billion [2024/25: Rs.313.83 billion], driven primarily by long term insurance products.

» The long term insurance segment posted a 24% growth in GWP to Rs.227.00 billion [2024/25: Rs.183.79 billion], reflecting rising financial awareness, increasing demand for health, retirement, and protection solutions, and accelerated digital adoption across distribution channels.

Insurance

GWP	CY2025 (Rs.million)	CY2024 (Rs.million)	Growth (%)
Individual policies	25,023	20,783	20
First year premium (regular new business premium)	7,907	6,233	27
Renewal premium	16,873	14,345	18
Single premium	243	205	19
Corporate policies	727	864	(16)
New business premium	127	331	(62)
Renewal premium	600	533	13
Total gross written premium	25,750	21,647	19

UA recorded a strong performance in GWP during CY2025 with a 19% (CY2024: 15%) increase, driven by the continued expansion of individual policies, which contributed Rs.25.00 billion (CY2024: Rs.21.00 billion), reflecting a 20% increase over the previous year. First year premiums grew by 27%, supported by higher new business acquisition, while renewal premiums rose by 18%, reflecting strong policy persistency.

The reduction in corporate new business premiums was driven by a strategic shift towards recurrent business, particularly renewal and first year premiums, in line with UA's long term value creation strategy.

Improvement in GWP was through;

» The agency channel, contributing 73% of GWP, strengthened its market presence through strategic recruitment and the opening of five new branches. Performance improvements across case size, non-monthly acquisition, and persistency translated into double-digit annualised new business premium (ANBP) growth.

» The bancassurance channel, contributing 27% of GWP, delivered exceptional growth, with an 80% increase in new business premiums, supported by exclusive partnerships with Sampath Bank, NTB, and Union Bank. Enhancements in case size, persistency, and productivity underscored the effectiveness of the bancassurance strategy.

During CY2025, UA successfully implemented Sri Lanka's first fully integrated bancassurance 2.0 model in partnership with Sampath Bank PLC, transforming a previously manual and fragmented process into a seamless, end-to-end digital lead-to-proposal journey. The platform enabled real-time data exchange, automated workflows, and embedded governance controls, significantly enhancing operational efficiency, transparency, and accountability across the bancassurance value chain.

Key achievements included the automation of lead generation across over 220 bank branches, elimination of manual reconciliation processes, and annual operational savings exceeding 900 man-hours. The solution also facilitated instant lead assignment and tracking, deployment of real-time performance dashboards, and AI-driven insights to support decision-making. The platform, fully compliant with Personal Data Protection Act (PDPA) requirements, strengthened regulatory adherence while enhancing customer engagement.

Within its first year, the model demonstrated strong scalability, supporting a sixfold increase in volumes and establishing a replicable framework for future bancassurance partnerships. This initiative further reinforces UA's bionic distribution strategy, enabling sustainable growth while maintaining operational efficiency and governance excellence.

Operational efficiency
900+
man hours saving per Annum

Industry first real time lead flow
2.5K+
leads/month, scaled 6x volume

Performance visibility delivered tailor-made dashboards
AI-powered
insight

100%
PDPA compliant



UA has one of the largest bancassurance networks in the country.

ANBP increased by 26% to Rs.10.08 billion [CY2024: Rs.8.02 billion] mainly driven by bancassurance partnerships.

In line with UA's value-centric strategy, UA continued transitioning from a volume-driven growth model to prioritising sustainable, long term value creation, even as the broader industry maintained a volume-oriented trajectory. Reflecting this disciplined approach, the single-premium business declined to 4% of total GWP in CY2025 from a 5% of total GWP in CY2024. While this recalibration supported the objective of strengthening the quality and sustainability of earnings, it resulted in a year-on-year reduction in market share.

Despite a persistent low interest rate environment, net investment income recorded an increase of 5% (CY2024: 9%) to Rs.12.35 billion (CY2024: Rs.11.76 billion), supported by favourable equity market conditions and strategic asset allocation. The improvement was mainly driven by the interest income from Treasury Bonds, which increased by Rs.751 million during the year. The total investment portfolio (excluding unit-linked funds) recorded an overall fund yield of 16% in CY2025, reflecting disciplined asset allocation, strong equity market performance, and tactical realisation of fixed-income gains.

Net claims and benefits rose 17% (CY2024: remain unchanged) to Rs.7.83 billion (CY2024: Rs.6.72 billion), reflecting higher maturities and surrender activity. Surrenders rose by Rs.655 million and maturity payouts increased by Rs.359 million as more policies reached maturity during the year.

Net acquisition and underwriting expenses increased by 23% to Rs.4.91 billion (CY2024: Rs.4.00 billion), influenced by GWP growth and the one-off cost associated with the strategic investment in an exclusive bancassurance partnership during the year. Incentive expenses rose significantly, particularly within the agency and bancassurance segments, reflecting higher business volumes and performance-linked payouts. Other operating and administrative expenses increased by 19% in CY2025 compared to 12% in CY2024, driven by higher employee costs SLFRS 17/SLFRS 9 implementation expenses and contractual payments for partnerships. Despite these pressures, disciplined cost management enabled UA to maintain a stable cost ratio of 23% in CY2025 relative to CY2024.

The life insurance business recorded a surplus of Rs.3.40 billion for the year [CY2024: Rs.3.00 billion]. This was driven by strong premium inflow, improved new business margins, disciplined cost management, and prudent risk selection. The one-off surplus of Rs.3.38 billion, attributable to non-participating and non-unit fund of unit-linked business, which was transferred from the life policyholder fund to the life shareholder fund in 2017/18 based on the directive dated 20 March 2018 issued by IRCSL, continues to remain restricted; the distribution is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL.

The total assets increased by 16% to Rs.127.25 billion [CY2024: Rs.109.46 billion] mainly driven by the recognition of intangible assets arising from the new exclusive partnership signed during the year. Assets Under Management (AUM) surpassed Rs.100.00 billion, with a strong growth of 13% to Rs.108.25 billion in CY2025 (CY2024: Rs.95.57 billion), supported by strong inflows and mark-to-market gains.

The life fund, backed by a high-quality asset base, recorded a growth of 20% to Rs.92.81 billion (CY2024: Rs.77.51 billion), while policyholder confidence was strengthened through a competitive Universal Life dividend, which outperformed the market.

UA also maintained a strong capital and liquidity position with a capital adequacy ratio (CAR) of 215.0%, which is well above the regulatory requirement of 120.0%, ensuring a robust buffer to absorb potential adverse financial shocks.

Divestment of the Stake in Fairfirst Insurance Limited

Aligning with the long term strategic focus on value-centric growth in life insurance, in September 2025 UA announced the divestment of its 22% equity stake, comprising 30,800,000 ordinary shares, in Fairfirst Insurance Limited, an associate company of UA. The shares were divested to Fairfax Asia Limited, a subsidiary of Fairfax Financial Holdings Limited, for a total consideration of Rs.2.64 billion.

To ensure a smooth transition and provide sufficient time for implementation, the Council of the Institute of Chartered Accountants of Sri Lanka (ICASL) had approved a one-year extension for the effective date of SLFRS 17. As a result, SLFRS 17 shall be applicable for the annual reporting period starting on or after 1 January 2026 together with SLFRS 9 Financial Instruments, which was deferred till the SLFRS 17 effective date for Life Insurance companies. UA is in the process of implementing SLFRS 17 and SLFRS 9 with the support of selected external consultants in both actuarial and finance areas to ensure adherence to the reporting requirements. The project is on track to ensure compliance with the SLFRS 17 standard.

During the year under review following key initiatives were carried out by UA:

- Launched FlexLife in September 2025, a highly personalised, flexible life insurance solution designed to meet evolving consumer lifestyles and financial aspirations, representing a major milestone in the product innovation roadmap. FlexLife enables customers to tailor coverage to suit different life stages, offering flexibility to meet needs such as retirement planning, protection, education, and healthcare. With features including flexible payments, loyalty benefits, top-ups, partial withdrawals, and optional covers for hospitalisation and critical illness, the product provides enhanced flexibility and control.
- Additionally, embedded telemedicine capabilities were introduced as a key enhancement to Clicklife App in CY2025. Customers with health covers, including Health 360, are able to access complimentary monthly online doctor consultations directly

through the Clicklife App. This was further complemented by integrated in-app medicine ordering, enabling a seamless, end-to-end digital healthcare experience without the need to transition across multiple platforms.

- Implemented the Agent Management System (AMS), Sri Lanka's first fully digitised, end-to-end agent lifecycle management platform. The system replaced paper-intensive and fragmented processes across advisor onboarding, servicing, and policy reallocation with a secure, automated, and scalable digital solution.
- Strengthened its privacy and data protection framework in alignment with the PDPA No. 9 of 2022, as amended. As part of the process, many key initiatives have been conducted and is progressing with the closure of gaps identified through the PDPA gap assessment and evaluating the possibility of aligning its processes to be certified with ISO 27701 Privacy Information Management System (PIMS).

Awards and Accolades

Received the following awards:

- 'Best Life Insurance Company of the Year', 'Best Strategies for Insurance Coverage for the Year' and 'Women in Insurance Leadership' - 2025 by Indian Chamber Emerging Asia Conclave and Awards.
- Silver award in the Life Insurance category – SAFA BPA Awards 2024.
- First Insurer to Earn the YouTube Silver Play Button.
- First Life Insurer in Sri Lanka to Achieve ISO/IEC 27001:2022 Certification.

Macroeconomic Update - Banking

- The banking sector recorded stable growth, with total assets increasing by 13% to Rs.24.92 trillion [2024/25: Rs.22.15 trillion], supported by expanding loan portfolios, deposit growth, and continued investments in Rupee-denominated Government securities.
- Net interest income grew by 12% [2024/25: 28%], while Stage 3 (credit-impaired) loans decreased to 10% [2024/25: 12%], reflecting disciplined lending and proactive risk management.

Banking

CY2025 marked a period of renewed economic confidence in Sri Lanka, supported by sectoral improvements, stronger macroeconomic fundamentals, and a stabilising financial system. Against this backdrop, NTB delivered a robust performance, executing its strategic priorities with discipline, outperforming industry growth, and further strengthening its positioning as a customer-centric niche bank.

The Bank's net interest income increased by 8% to Rs.38.78 billion (CY2024: Rs.35.92 billion), despite a declining interest rate environment that placed pressure on yields from interest-earning assets. This increase was predominantly supported by net loan growth of 50%, reflecting strong demand for credit across the Bank's key segments.

Amidst the declining interest rate environment, NTB maintained a strong focus on Asset and Liability Management (ALM), ensuring adequate liquidity throughout the year. This prudent approach enabled the Bank to sustain a healthy net interest margin (NIM) of 6.05% in CY2025 (CY2024: 6.94%).

Deposits stood at Rs.502.22 billion in CY2025 (CY2024: Rs.384.66 billion), representing a growth of 31%. With most consumers having adjusted to the revised tax regime, a renewed inclination towards structured savings supported steady deposit inflows throughout the year. Additionally, expectations of potential interest rate volatility in CY2026 encouraged customers to lock in returns in advance, further contributing to deposit growth.

The Bank recorded a 10% growth in net fee and commission income to Rs.8.86 billion (CY2024: Rs.8.17 billion), driven by increased credit growth, trade financing, and cash management activities. Fee and commission income from credit cards also increased, reflecting higher card spend supported by new card launches and targeted strategic initiatives.

Operating income grew by 18% to Rs.52.20 billion in CY2025, compared to a decline of 1.4% to Rs.44.40 billion in CY2024. This growth was largely underpinned by stronger core business performance, while the prior year's results had been impacted by the derecognition of International Sovereign Bonds, which did not recur in the current year.

The stage 3 loan ratio, net of provisions, improved to 0.9% in CY2025 (CY2024: 1.6%), remaining well below industry benchmarks. In addition, stage 3 provision coverage increased to 66.7% (CY2024: 60.6%), reflecting the Bank's continued prudent approach to credit risk management.

Interest expense increased by 27% from Rs.28.10 billion in CY2024 to Rs.35.57 billion in CY2025, while operating expenses rose by 13% to Rs.16.96 billion (CY2024: Rs.14.97 billion), largely due to higher personnel costs in line with staff benefits and compensation packages, coupled with growth in transactional volumes and tariff increases.

NTB continued its focused approach to digitalisation, automation, and lean methodologies, proactively challenging the status quo to optimise resources and manage the cost-to-income ratio. As a result, the Bank maintained an efficient cost-to-income ratio of 32.5% in CY2025, improving from 33.7% in CY2024.

"Deposits stood at Rs.502.22 billion in CY2025 (CY2024: Rs.384.66 billion), representing a growth of 31%. With most consumers having adjusted to the revised tax regime, a renewed inclination towards structured savings supported steady deposit inflows throughout the year. Additionally, expectations of potential interest rate volatility in CY2026 encouraged customers to lock in returns in advance, further contributing to deposit growth."

Total assets grew by 28% to Rs.700.31 billion in CY2025 (CY2024: Rs.545.69 billion), representing a key milestone for the Bank. This growth was primarily driven by deliberate balance sheet optimisation and focus on high-growth segments.

Gross loans and advances expanded by 46% to Rs.451.12 billion (CY2024: Rs.308.86 billion), driven by increased credit demand. Consequently, loans and advances accounted for 61% of total assets at end-2025, up from 53% in CY2024. Throughout the year, NTB maintained a strong focus on prudent liquidity management to meet obligations as they fall due, while supporting business growth. The consolidated liquidity coverage ratio (LCR) declined to 203.4% (CY2024: 320.6%) but remained well above regulatory requirements, supported by disciplined balance sheet management.

Stated capital increased by 7% to Rs.13.01 billion, following the declaration of scrip dividends for CY2024. Net asset value per share improved from Rs.243.65 in CY2024 to Rs.293.12 in CY2025, reflecting the Group's strong capital generation and continued value creation for shareholders. Accordingly, NTB's key regulatory capital ratios remained robust, with tier 1 capital adequacy ratio at 19.6% and total capital adequacy at 20.7%, well above minimum regulatory requirements.

Throughout CY2025, the Bank remained highly liquid in both Sri Lankan Rupees and foreign currency, supported by a consolidated liquidity coverage ratio of 203.4%, reinforcing its financial resilience and capacity to support ongoing business growth.

Digital channels remain a cornerstone of the Bank's service delivery model. Retail customers are supported through Nations online banking, the internet payment gateway, self on-boarding platform, Nations Direct App, Nations E-Box, and the FriMi App, enabling seamless everyday transactions. Commercial and corporate clients continue to leverage Nations Direct Enterprise (NDE) for efficient transaction management. In line with the Bank's ongoing commitment to digital expansion, a digital onboarding platform was successfully piloted in 2025, further enhancing client experience and operational efficiency.

Deposit mobilisation during the year was underpinned by a strategic focus on digital adoption. A key milestone was the launch of the enhanced NDE online banking platform, which introduced upgraded functionality for seamless transactions, strengthened security, improved visibility over business cash flows, and integrated digital tools to support operational efficiency. Likewise, the introduction of the Nations Trust Business Mastercard in late CY2024 gained strong traction, making a meaningful contribution to the CASA composition during CY2025.

The Bank's net promoter score (NPS) continued to improve, reaching 65 in CY2025 (CY2024: 53), reflecting sustained progress in enhancing customer satisfaction and engagement across its digital and physical service channels.

The Group currently holds a 29.48% stake of voting shares in NTB. In terms of the Banking Act No.30 of 1998, as amended, John Keells Group is to reduce its respective shares carrying voting rights to 15% and is required to take relevant action to comply with the said direction. The restriction on voting rights at 10% which is applicable to the Group continues to be in effect until the shareholding is reduced to 15%.

Acquisition of Retail Banking Franchise of HSBC, Sri Lanka

In September 2025, the Bank entered into a binding Sales and Purchase Agreement with the Hongkong and Shanghai Banking Corporation, acting through its Sri Lanka Branch (HSBC Sri Lanka) to acquire its retail banking franchise in Sri Lanka for a consideration of Rs.18.00 billion plus applicable taxes.

While the CBSL granted approval for the transaction in November 2025, the Bank successfully completed the acquisition of the retail banking business with effect from 1 May 2026. Following the completion of the transaction and the scheduled migration of the portfolio NTB commenced live operations of the acquired business on 2 May 2026.

The transaction included HSBC Sri Lanka's branch network, premium banking segment, credit and debit portfolio, fixed deposits, retail loans, and over 200,000 customer accounts. The transition of customer accounts and related assets and liabilities was in line with NTB's expectations at the time of entering into the Sale and Purchase Agreement dated 24 September 2025. Following the acquisition of seven HSBC Sri Lanka branches, NTB's network expanded to 96 locations, supported by the onboarding of 343 former HSBC staff to ensure service continuity and effective relationship management.

The acquisition marks a significant milestone in the Bank's growth trajectory, strengthening its position in the retail banking segment.

Macroeconomic Update - Stockbroking

- Market momentum remained strong, with all share price index (ASPI) gaining 42% [2024/25: 50%] and the S&P SL20 index increasing by 27% [2024/25: 60%].
- Average daily turnover rose to Rs.5.20 billion [2024/25: Rs.2.23 billion], supported by greater participation from retail and institutional investors, improved digital trading access, and rising investor confidence amid stabilising macroeconomic conditions.

Stockbroking

JKSB, the stockbroking arm of the Group, delivered a strong performance during the year, supported by improved activity at the Colombo Stock Exchange (CSE). The recovery in economic conditions and policy consistency contributed to a notable uplift in investor sentiment, driving higher market turnover and increased participation across both retail and high-net-worth segments.

Against this backdrop, JKSB recorded a commendable increase in trading volumes and client activity, supported by its continued focus on a research-driven approach to client acquisition and portfolio advisory. The business prioritised the expansion and retention of high-value client segments, enabling an improvement in the overall quality of its client base while enhancing revenue generation through more engaged and informed investors.

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Digitalisation remained a key enabler of operational efficiency and scalability. During the year, the business further streamlined its onboarding processes, reducing turnaround times and improving client conversion rates. Enhanced digital interfaces and process automation contributed to a more seamless customer experience, while also supporting cost optimisation and operational agility. In parallel, the introduction of structured self-learning tools and educational resources led to increased client engagement levels and more informed trading activity.



The expansion of #SHEInvests initiative.

JKSB also strengthened its position as a knowledge-led intermediary through continued investment in investor education and market outreach. The expansion of its flagship #SHEInvests initiative marked a key milestone during the year. The programme recorded increased participation levels, with a series of targeted sessions conducted across both physical and digital platforms. These sessions focused on core areas such as financial literacy, equity market fundamentals, portfolio construction, and long term wealth creation. The initiative contributed to a measurable increase in engagement from female investors, supporting greater diversity within the client base while reinforcing the firm's commitment to inclusive growth.

Operationally, the business maintained a disciplined focus on productivity and service excellence, with improvements in execution efficiency and client servicing standards. JKSB continued to leverage its strong research capabilities to deliver differentiated insights, supporting higher client retention and increased share of wallet.

Overall, JKSB remains well positioned to sustain its growth momentum, supported by improving market conditions, a strengthened client franchise, and continued investments in digital capabilities and investor engagement.

"JKSB, the stockbroking arm of the Group, delivered a strong performance during the year, supported by improved activity at the Colombo Stock Exchange (CSE)."

Financial Performance Review

As the key businesses within the industry group comprise of the Banking and Insurance sectors, the ensuing discussion will predominantly focus on PBT and PAT, in order to capture the net earnings of the businesses as reflected in the financial statements of the Group.

Rs.million	2025/26	2024/25	%
PBT*			
Insurance	5,065	5,241	(3)
Banking	6,369	5,616	13
Stock Broking	204	21	871
Total	11,638	10,878	7
PAT*			
Insurance	3,337	3,739	(11)
Banking	6,369	5,616	13
Stock Broking	140	12	1067
Total	9,846	9,367	5

** Share of results of equity accounted investees are shown net of all related taxes.*

***The profitability applicable for Fairfirst Insurance Limited, the General Insurance business, until its divestment in September 2025 is included.*

Insurance

- During the year under review, UA recorded a GWP growth of 19% [2024/25: 14%], primarily driven by an 18% increase in renewal premiums and a 26% growth in new business premiums, reflecting sustained customer retention and new business momentum.
- Net investment income increased by 7% [2024/25: 6%] despite lower yields in a declining interest rate environment. This improvement was driven by favourable equity market conditions and disciplined strategic asset allocation.
- Claims and benefits amounted to Rs.8.15 billion [2024/25: Rs.7.05 billion] as a result of an increase in maturities in line with contractual obligations and increased policy surrenders.
- Underwriting and net acquisition costs rose by 18% to Rs.4.95 billion [2024/25 Rs.4.18 billion] broadly in line with growth in GWP.
- Life insurance contract liabilities, including unit linked funds, increased by 19% to Rs.97.85 billion [2024/25 Rs.82.56 billion] due to higher fund inflows during the year.
- UA generated an annual life insurance surplus of Rs.3.40 billion in 2025/26, compared to Rs.3.00 billion in 2024/25. This growth was driven by strong premium inflows, improved new business margins, disciplined cost management, and prudent risk selection.
- The Group divested its stake in Fairfirst Insurance Limited, an equity accounted investee of UA, operating in the general insurance sector, in September 2025 for a consideration of Rs.2.64 billion, reflecting a strategic reallocation of capital towards UA's core Life Insurance business. At a consolidated level the Group recorded a gain of Rs.273 million due to the divestment. Net of tax, a loss of Rs.38 million was recorded impacting PAT.

Banking

- Despite the decline in yields on interest-earning assets, NTB recorded a 10% growth [2024/25: 3%] in net interest income (NII), driven primarily by the strategic management of the Bank's assets and liabilities. Net interest margins (NIMs) declined to 5.8% in 2025/26 compared with 6.6% in the previous year given the declining interest rate environment.
- The Stage 3 loan ratio at 1.1% [2024/25: 1.4%] remained well below the industry average given the Bank's data driven decision-making to manage credit risk effectively.
- The loan portfolio expanded by 48% [2024/25: 19%] given the improvement of economic activities and the declining interest rate environment.
- The cost-to-income (CI) ratio declined to 33% during the year under review [2024/25: 34%], influenced by digitalisation, automation and lean methodologies that proactively challenge the model to strengthen resource optimisation and manage costs.

Stock Broking

- JKSB recorded a significant improvement in performance supported by higher market turnover levels stemming from positive investor sentiment as the economy continued its path of recovery.
- JKSB continued to acquire and maintain high-net-worth investors to maintain the value of the customer base, which also contributed to an improvement in performance.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	38.4		26.4		0.34		4.27
2024/25	37.2		28.6		0.34		3.84

The improvement in the ROCE of the Financial Services industry group was mainly driven by the increase in profitability at NTB.

Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the Global Reporting Initiative (GRI) Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted to manage them.

Material Impact Topics

The Financial Services industry group is cognisant of the impacts of its business operations and engages with key stakeholders including customers, regulators, investors, employees, intermediaries, business partners, and service providers towards managing its material sustainability impact topics such as financial stability and profitability, business ethics, anti-corruption, health and safety of customers, transparent and fair advice to customers, customer privacy, environmental impacts, channel partnerships and digitisation.

Risks arising from these impact topics as well as risks arising from key dependencies on externalities of environmental and social resources, form the basis of the SRROs and CRROs considered by the Financial Services industry group.

The specific SRROs and CRROs of UA and JKSB are tabularised in the section below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

During the year, the industry group's risk registers were updated to include risks such as acute and chronic physical risk of climate change, health and safety and cybersecurity risks.

Each identified risk was assessed through detailed value-chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium, and long term implications for the industry group's financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. The industry group undertook a judgement-based assessment of financial implications during the year. Going forward, a more comprehensive financial evaluation of identified SRROs and CRROs will be conducted to strengthen the prioritisation and identification of those with the greatest financial materiality.

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Insurance

Climate-Related Risks (CRR)

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR - Acute physical				
Upstream Insurance sales staff **Midstream** Internal functions and maintenance, customer relationship management	Severe weather events cause branch closures, mobility disruption, power outages, and interruptions to customer servicing and premium collection, and new business.	Short/Medium	» Branch operations. » Customer service. » New business and renewals. » Premium collection.	» Shift to digital-first channels (ClickLife, online sales) » Strengthen call-centre capacity » Expand digital onboarding and premium collection
Product design and development, underwriting and risk assessment, policy issuance and customer onboarding	Severe weather events (floods, cyclones, landslides) trigger rapid spikes in mortality/health claims, surrenders, and operational strain impacting profitability.	Medium/Long	» Claims and payouts. » Customer pressure. » Reinsurance recoveries. » Liquidity management.	» Strengthen catastrophe reinsurance » Enhance claims automation » Rapid-response claims workflows » Integrate climate scenarios into reinsurance planning
Risk Category: CRR - Acute Financial				
Midstream Product design and development	Climate driven interest rate volatility affects investment returns, liability valuations, capital adequacy, and solvency.	Short/Medium/ Long	» Investment returns. » ALM mismatch. » Capital Adequacy Ratio (CAR) buffers. » Solvency ratios.	» Strengthen ALM frameworks » Diversify investment portfolio » Conduct stress testing » Adjust long term pricing assumptions
Risk Category: CRR - Chronic physical				
Midstream Internal functions and maintenance	Climate linked long term morbidity and mortality changes impact actuarial assumptions, pricing, and long term product sustainability.	Medium/Long	» Pricing adequacy. » Health/mortality trends. » Reinsurance dependency.	» Update actuarial assumptions for climate linked morbidity » Strengthen reinsurance for chronic risk trends » Integrate long term climate-health scenarios
Risk Category: CRR - Transition				
Midstream Internal functions and maintenance	Low carbon transition requires technology upgrades, higher energy efficiency, and compliance with evolving ESG norms.	Medium/Long	» Operating costs. » Supplier alignment. » Brand reputation. » Investor expectations.	» Invest in renewable energy » Expand hybrid/EV fleet » Digitise processes to reduce energy/material use » Adopt carbon offsets and support future SBTi aligned targets

Stockbroking

Cybersecurity and Data Privacy

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Cybersecurity, Data and Privacy Breaches				
Midstream Client acquisition and onboarding, research and advisory, order placement and execution, clearing and settlement, record keeping and compliance	Due to cyber attacks, system vulnerabilities or poor data governance, resulting in regulatory breaches, legal liabilities, reputational harm, client distrust and disruption of internal operations.	Short/Medium/ Long	» Internal operations. » Remote access points.	» Access controls based on roles and responsibilities » Vulnerability assessments and penetration testing » Data protection policies and procedures » Employee cybersecurity awareness training

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Industry group leads evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security-sensitive details, has been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Insurance

Increased Demand for Protection Products

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO- Climate-related demand increase				
Midstream Product design and development, Underwriting and risk assessment	Rising health and mortality risks associated with acute and chronic climate impacts are expected to drive increased demand for life insurance protection products. While UA has not yet observed major climate driven behavioural shifts, emerging climate linked health concerns such as higher incidence of heat related illness, vector borne diseases, respiratory conditions and climate triggered critical illnesses are anticipated to accelerate customer interest in protection oriented solutions. These trends create significant opportunities for growth in health riders, critical illness cover, and specialised protection products across regions most affected by climate-related events.	Medium/Long	» Product development and innovation.	» Develop needs-based products aligned with evolving customer requirements, informed by climate-related data. » Collaborate with local institutions to integrate regional climate insights into product features and risk assessments. » Strengthen product innovation processes to rapidly respond to emerging climate-driven protection demands.

Build Resilience as a Digital First Insurer

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO- Climate-related opportunity				
Upstream Insurance sales staff **Midstream** Product Design and development, underwriting and risk assessment, customer relationship management	This opportunity strengthens UA's ability to operate seamlessly during climate disruptions by reducing reliance on physical branches and shifting to organisation-wide digital enablement. Enhanced digital onboarding, premium collection, automated claims, and remote service tools improve efficiency and ensure uninterrupted customer access across the entire value chain.	Short/Medium/ Long	» Customer onboarding and servicing. » Digital distribution and premium collection. » Claims automation and support. » Business continuity and operational resilience.	» Investment in robust digital platforms to support uninterrupted business operations. » Expansion of remote service capabilities to maintain seamless customer access during climate-related disruptions. » Enhancement of automated processes (onboarding, premium collection, claims management) to ensure resilience during physical constraints.

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Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Financial Services industry group follows the Group's overarching Sustainability Management Framework (SMF) towards the identification and management of its key sustainability impact topics.

This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures to manage such material topics, quarterly capture and tracking of key performance indicators based on the GRI Standards and Sustainability Accounting Standards Board (SASB) Standards, communication of the business unit performance to the respective Management Committees, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Financial Services industry group to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Financial Services industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. An overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium and long term direction of the industry group's current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance and digital trust

Insurance

Resilient Assets and Operations

Building climate-ready, reliable, and efficient insurance operations.

UA evaluates how sustainability-related and climate-related risks affect its business model and full insurance value chain including actuarial pricing, underwriting, digital distribution, claims, reinsurance, investments, and ALM. Acute physical risks such as branch disruptions and disaster-related mortality surges, chronic health-related morbidity change, and climate-linked interest-rate volatility directly influence claims volatility, premium collection, capital adequacy, and investment returns. Transition risks also affect operational energy use and technology requirements.

To respond strategically, UA strengthens reinsurance structures, expands digital channels to reduce physical-branch dependency, enhances ALM practices, and invests in climate-resilient operational processes. These actions mitigate the effects on financial position (eg: capital buffer pressure, operating-cost increases), financial performance (claims ratio uplift, reinsurance costs), and cash flows (volatility from delayed collections and claim surges). UA's resilience analysis uses qualitative scenario insights to assess acute, chronic, and transition risks across short, medium, and long term horizons.

UA's operational resilience continues to be shaped by the financial consequences of both acute and chronic climate-related risks. Disruptions to branch accessibility whether due to floods and other extreme events translate into delayed premium collections, elevated premium receivables, and immediate pressure on new business acquisition. Current financial effects include reduced gross written premium flows, increased cash flow strain, and downward pressure on AUM when collections slow. As these physical risks escalate over the medium and long term, the Company anticipates continued pressure on liquidity through reduced inflows, combined with weakened investment income resulting from short term cash redirections needed to manage claims surges.

Catastrophic events also drive significant volatility in profitability and balance sheet strength. Short term spikes in mortality, health, and surrender claims adversely affect policyholder liabilities, diminish assets through accelerated payouts, and reduce investment income as liquid asset buffers are deployed. Over time, the anticipated rise in reinsurance premiums reflecting higher climate exposure further constrains profitability and narrows capital buffers. Chronic climate trends, such as heat stress and vector-borne diseases, compound these impacts through sustained increases in claims payouts and further pressure on underwriting assumptions. Collectively, these shifts challenge long term solvency, capital adequacy, and the stability of operating cash flows.

Opportunities arising from digital-first operations strengthen resilience by reducing reliance on vulnerable physical networks. Digitisation improves operational continuity during climate events and supports more consistent revenue collection. While financial effects are not quantified separately, the strategic benefits reduced paper use, higher efficiency, and improved customer reach help offset part of the volatility generated by climate-driven risks.

Integrated People and Service Excellence

Strengthening human capital, safety, and client experience.

UA assesses how climate-related risks and opportunities influence workforce capability, actuarial modelling, digital-first service delivery, and customer experience outcomes across its value chain. Chronic morbidity linked climate risks affect underwriting assumptions, while acute disruptions impact customer access and service continuity. Opportunities such as digital-first resilience improve uninterrupted servicing, onboarding, and claims handling.

UA's strategy builds actuarial capacity for climate linked modelling, increases digital talent capability, and strengthens customer servicing tools (ClickLife, e-policy, advisor digital lifecycle) to ensure continuity under climate stress.

These measures improve operational efficiency, strengthen retention, and reduce service related financial volatility. Scenario based resilience is reflected through investments in digital processes that maintain service continuity during acute climate disruptions. Time horizons span current/short term (digital service continuity), medium term (underwriting capability shifts), and long term (morbidity driven pricing).

UA's people and service model is increasingly influenced by the financial implications of climate-related operational stresses. Acute disaster-driven claim surges place substantial short term strain on claims-handling teams, influencing productivity, processing speeds, and overall service quality. These translate indirectly into higher operational costs and increased reinsurance premiums as risks materialise more frequently. Chronic climate impacts, particularly those affecting national health conditions, create sustained upward pressure on claim volumes and underwriting resources, raising the cost of maintaining service excellence.

Employee absenteeism linked to health-related climate trends though not quantified, further impacts productivity and may indirectly influence cash flows through slower operational cycles. As customer expectations evolve under greater climate uncertainty, the Company's digital servicing channels (e-policy, mobile platforms, online premium payments) play a growing role in stabilising service delivery. While not captured through explicit financial metrics, their indirect contribution to retention, service continuity, and customer trust provides a counterbalance to the rising operational and financial pressures associated with climate intensification.

Sustainable Transitions and Resource Stewardship

Decarbonisation.

UA evaluates transition risks and sustainability-related opportunities that influence operational energy use, emissions, digitalisation, and investment decision-making. Climate transition risks increase the need for low carbon operations, fleet electrification, and emission reduction practices. Opportunities include increased demand for protection products due to climate linked health trends and expansion of ESG aligned investment portfolios (eg: green bonds).

UA's strategy includes expanding its electric/hybrid fleet, reducing paper use via digitalisation, improving energy-efficiency across branches, and integrating ESG factors into investment management. These actions impact financial performance through upfront tech/energy investments and long term cost optimisation, while climate linked product demand increases revenue potential and AUM growth. UA's resilience analysis shows readiness for tightening transition regulations and long term sustainability expectations

Transition-related financial exposure remains moderate in the short term but grows in significance over the medium and long term. Presently, there is limited direct financial impact from shifting toward low-carbon operations; however, anticipated future effects include exposure to carbon pricing, emission-related penalties, and increased structural operating costs as regulatory requirements tighten. Future capital expenditure needs such as renewable energy investments or electrification of fleets contribute to long term cash outflow expectations and resource allocation decisions.

On the opportunity side, the Company's ambition to long term mission to develop a transition plan to lower carbon emissions enhances long term brand equity and positions UA to attract climate-conscious customers. While current financial impacts are not separately identifiable, the transition is expected to foster long term cost optimisation through increased efficiency, greater digitalisation, and reduced material consumption. These changes reinforce long term sustainability while supporting resource stewardship across the value chain.

Ethical Governance and Digital Trust

Cybersecurity, responsible disclosure, and transparent oversight.

UA integrates climate-related and sustainability-related governance across its entire value chain through disclosures, responsible investment governance, and robust data protection frameworks. Climate-related risks influence customer trust dynamics, regulatory compliance obligations, and investment portfolio transparency.

UA's strategic response includes strengthening disclosure processes, maintaining ISO certified data security, ensuring PDPA compliance, and reinforcing ethical conduct, fair advice standards, and risk management controls. These governance actions mitigate financial risks related to legal liabilities, regulatory penalties, and reputational damage. Resilience is supported through scenario based governance oversight, integrated risk reporting, and strong alignment with Board level committees. Time horizons vary across short (data governance), medium (ESG reporting maturity), and long term (sustainability aligned governance practices). Governance integration ensures climate-related issues remain embedded in enterprise wide ERM and strategic decision-making.

Climate-related financial impacts particularly those involving solvency, investment income, and reinsurance dependency elevate the importance of strong, transparent governance. As acute climate volatility heightens, the Company must navigate financial risks associated with asset valuation fluctuations, surrender spikes influenced by interest-rate shifts, and structural capital adequacy challenges. Maintaining customer and regulator trust therefore becomes increasingly tied to sound financial oversight and disclosure discipline.

Digital-first opportunities complement governance-related outcomes by enhancing operational transparency and providing secure channels for customer servicing. Strengthened governance practices support stability in cost of capital, which remains largely unaffected across most risk categories. Ethical governance thus plays a critical role in safeguarding UA's long term financial performance and resilience in a climate-impacted environment.

Stockbroking

Resilient Assets and Operations

Building cyber-resilient, reliable, and efficient digital infrastructure.

Sustainability-related digital risks such as cybersecurity breaches, data loss, system vulnerabilities, and vendor origin threats directly affect JKSB's business model and value chain, particularly client onboarding, order placement, trade execution, and reporting. These risks can disrupt operations, affect market access, and compromise regulatory compliance.

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JKSB responds through robust incident response frameworks, disaster recovery, system backup capabilities, vendor risk controls, redundant communication channels, and continuous threat intelligence monitoring. These actions mitigate financial impacts such as increased IT operational expenditure, penalties, remediation costs, reputational loss, and cash flow disruptions. Scenario based resilience stems from disaster recovery testing and business continuity planning.

JKSB's operational resilience is closely tied to its exposure to cybersecurity, data protection, and privacy risks each carrying tangible financial and operational implications. Current impacts include increased IT operating expenses due to enhanced cybersecurity requirements, the need for upgraded data governance controls, and potential remediation costs arising from system vulnerabilities or human error. Where incidents occur, financial position may be affected through the recognition of provisions for penalties or legal claims, while cash flows tighten due to urgent IT upgrades or incident response expenditures.

Anticipated medium and long term effects point to rising regulatory expectations and heightened data protection enforcement, which may further increase compliance costs and ongoing IT expenditure. As JKSB's trading environment becomes more digitised and interconnected, business continuity risks gain greater significance; disruptions in digital trading systems could affect revenue streams, client activity, and transaction flows. Opportunities arise from investing in reliable digital infrastructure, which helps stabilise operations and reduces long term volatility in service uptime.

Integrated People and Service Excellence

Strengthening human capital, operational readiness, and secure client service.

Human error driven cyber risks affect the value chain at client acquisition, onboarding, communication, and order execution stages. Misuse or mishandling of sensitive data increases regulatory, reputational, and operational exposure.

JKSB's strategy builds resilience by strengthening workforce cyber awareness, enforcing role based access controls, and embedding secure communication procedures. This reduces legal exposure and protects service continuity. Financial impacts include reduced likelihood of privacy breaches and lowered operational losses. Scenario resilience is enhanced by trained staff who can respond quickly during cyber incidents.

Cybersecurity-related risks carry operational implications for JKSB's workforce and client-servicing functions. Current financial impacts associated with increased administrative and IT-related expenses highlight the need for continuous staff training, strengthened data-handling protocols, and enhanced monitoring capabilities. These efforts support consistent service delivery, maintain client confidence, and limit the occurrence of operational disruptions.

In the future, as cyber threats evolve, JKSB anticipates greater regulatory scrutiny, which may increase the cost of maintaining compliance-ready teams and systems. Although not separately quantified, the financial implications of reputational erosion should client data be compromised, underscore the importance of maintaining high service standards. Opportunities linked to secure onboarding and advisory technologies indirectly strengthen client engagement and help preserve future revenue potential.

Sustainable Transition and Resource Stewardship

Digital efficiency and reduced resource intensity.

JKSB's long term sustainability depends on efficient, secure digital systems that minimise resource waste and support resilient infrastructure. System vulnerabilities or outdated technologies can affect trading reliability across the value chain.

To address this, JKSB invests in continuous system audits, IT upgrades, enhanced vendor controls, and improved infrastructure reliability. Financial impacts include upfront capital expenditure but long term reduction in breach related losses and operational downtime. Scenario resilience is achieved via proactive system maintenance and ongoing infrastructure strengthening.

While JKSB's primary sustainability-related exposure is digital rather than environmental, resource stewardship still plays a central strategic role. Current financial effects reflect the cost of maintaining secure digital systems, which involves continuous upgrades, vendor management expenses, and IT audits. Anticipated impacts include rising long term expenditure on advanced cybersecurity infrastructure and cloud resilience as industry standards evolve and supervisory expectations intensify.

Ethical Governance and Digital Trust

Cybersecurity, data governance, ethical oversight, and transparent compliance.

Cybersecurity, data privacy, and compliance obligations shape JKSB's governance landscape across the entire value chain. Data breaches affect trust, regulatory standing, customer relationships, and operational security.

JKSB's strategic response includes PDPA compliance, strict access control enforcement, periodic internal and external IT audits, legal preparedness, crisis communication processes, and post incident improvement cycles. Financial impacts include avoidance of penalties, protection of revenue continuity, and reduction of liability risks. Scenario resilience stems from JKSB's ability to respond rapidly to cyber incidents.

Strong governance and ethical data practices underpin JKSB's financial and operational stability. Current financial effects such as increased IT operational expenditure and potential legal or regulatory penalties reinforce the need for disciplined oversight of data protection, surveillance systems, and role-based access controls. As compliance frameworks strengthen over the medium term, cost of compliance may rise, but cost of capital remains largely unaffected.

Anticipated impacts include greater scrutiny from regulators and clients, making transparent governance and responsible data stewardship essential for protecting long term financial performance. Opportunities stem from enhanced trust and market credibility derived from robust cyber governance, which support sustained investor engagement and contribute to operational continuity in the fast-evolving capital market ecosystem.

Key Non-Financial Performance Indicators

During the year under review the Financial Services industry group focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgement basis with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Financial Services industry group were assessed based on the relevant GRI Standards and SASB Standards key performance indicators.

- In the Insurance business, GHG and energy intensities declined by 7% and 5%, respectively, while water intensity decreased by 8% compared to 2024/25, reflecting improved efficiency in resource utilisation despite the expansion of the branch network. Accordingly, overall consumption remained well controlled relative to the scale of operations.
- In the Stockbroking business, GHG and energy intensities declined marginally by 3% each in 2025/26, while water intensity increased marginally by 2% and waste intensity remained unchanged reflecting conscious management of resources despite higher activity levels in the business during the year.
- No workplace accidents were recorded across both businesses, while staff attrition declined, reflecting improved retention.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Financial Services industry group – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the industry group – page 398.

Initiatives

During the year, the Financial Services industry group undertook the following industry specific initiatives targeting its material sustainability impact topics and SRROs and CRROs.

Environmental Initiatives

- Advanced energy efficiency and renewable energy initiatives, including the initiation of a ~60 kW solar power plant at the Kurunegala premises to support the transition to clean energy and long term carbon reduction, alongside measures such as LED lighting implementation, optimised air conditioning systems, smart office design, eco-friendly printing solutions, and the gradual transition to electric vehicles to reduce overall energy consumption and emissions.
- Minimised water impact through efficiency and treatment initiatives, including the installation of sensor-activated taps to reduce wastage, regular leak detection and maintenance, and collaboration with landlords to improve plumbing efficiency in leased properties, alongside promoting digital channels to reduce water-intensive paper use; further supported by the installation of a wastewater management system at the Kurunegala premises to ensure responsible treatment and discharge of wastewater.
- Reduced environmental impact through digital transformation, achieving 100% paperless insurance proposal submissions by introducing digital policy certificates and e-policy documents, enabling convenient customer access via mobile platforms while supporting resource conservation and reducing paper usage.

Social Initiatives

- Promoted community health and well-being through the Diabeater initiative, a nationwide movement, encouraging individuals to take proactive steps in preventing and managing diabetes through education, awareness, and community engagement, fostering informed lifestyle choices and collective action.
- Strengthened youth mental health and well-being through the *Piripun Parapurak, Surakina Mehewarak* initiative, delivering awareness and education programmes for schoolchildren, focused on building emotional resilience, managing stress, and promoting healthy behaviours through guidance from mental health professionals.
- Supported disaster relief and community resilience efforts due to Ditwah Cyclone, contributing Rs.50 million to the Rebuilding Sri Lanka Fund and providing essential aid to flood-affected communities through partnerships and employee volunteerism, including distribution of supplies, donation of water bottles, and provision of hygiene essentials to support recovery efforts.

INDUSTRY GROUP REVIEW

FINANCIAL SERVICES

Outlook

The Financial Services industry group delivered a resilient performance in 2025/26, supported by stabilising macroeconomic conditions, improving investor confidence, and a favourable policy environment. The Insurance business leveraged long term growth drivers, digitalisation, and product innovation to enhance client engagement and profitability. The Banking arm maintained strong asset quality, liquidity, and capital adequacy through disciplined risk management and selective growth initiatives. JKSB benefited from higher market activity, research-led advisory, and expanded digital capabilities, while the #SHEInvests programme strengthened female investor participation.

The Group remains confident in the long term potential of the Financial Services industry group, underpinned by digital acceleration, expanding financial inclusion, and robust governance, positioning the businesses to capture growth opportunities while managing evolving macro and market risks.

Key Risks, Trends and Opportunities Relevant to the Industry Group:

Risk Landscape

- Macroeconomic and Political Environment volatility*
- Financial exposure*
  - Interest rate volatility and market fluctuations
- Insurance and Operational
  - Rising claims, efficiency, digital adoption
- Competitiveness
  - Digitalisation, client-centricity, selective expansion
- Human resources related risks including talent attrition and employee health and safety*
- Environment and Biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Insurance Growth - Low penetration and rising financial awareness create demand for health, retirement, and protection solutions.
- Digital Transformation - Expanding digital adoption and cashless payments enhance customer reach and operational efficiency.
- Technology Enablement - AI, RPA, and data analytics offer long term efficiency, personalised services, and process automation.
- ESG and Sustainable Finance - Growing focus on ESG drives opportunities in green lending, sustainable insurance, and impact investing.
- Market Expansion - Increasing domestic and foreign investor participation supports growth across banking, stockbroking, and wealth segments.

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Insurance

Immediate to Short Term

Sri Lanka's economic environment in 2026 is expected to remain stable, supported by moderate GDP growth, easing inflation, and a relatively stable interest rate environment. Improving domestic activity, rising financial awareness, and gradual increases in disposable incomes are expected to support demand across the life insurance sector. Given the country's low insurance penetration, favourable demographic trends, and increasing digital adoption, the industry is well positioned to capitalise on near term growth opportunities.

In this context, the business will continue its transition towards a value-centric model, in line with evolving regulatory requirements such as SLFRS 17, with a greater emphasis on profitability, transparency, and quality of earnings. Strategic priorities in the short term will centre around:

- Expanding the agency channel to enhance market reach and deepen customer engagement.
- Strengthening alternate distribution platforms, including bancassurance and digital channels.
- Developing customer-relevant products across protection, health, and retirement segments.
- Enhancing partnerships with healthcare providers to deliver integrated health insurance solutions.
- Leveraging urbanisation trends to expand presence across high-growth regions.
- Expanding agent productivity initiatives beyond lower-performing agents to broader segments of the agency channel.
- Using analytics (lead scoring, segmentation) to target higher-propensity customers and improve officer productivity in bancassurance.
- Exploring data-driven allocation of spend to identify channels that best drive brand awareness and consideration.

Accelerated digitalisation will remain a key priority, with continued investments in automation, advanced analytics, and AI-enabled capabilities to enhance customer experience and operational efficiency. This will be complemented by:

- Adoption of generative AI and automation tools across underwriting, claims processing, and customer servicing.
- Strengthening cybersecurity frameworks and digital resilience.
- Enhancing advisor productivity and customer engagement through digital platforms.

Notwithstanding these opportunities, the business remains mindful of near term challenges. Pressure on consumer discretionary income may impact new business generation and policy persistency, while rising medical inflation is expected to sustain elevated claims ratios within the health insurance segment. In addition, the prevailing low-interest rate environment may constrain investment income. Accordingly, emphasis will be placed on disciplined cost management, strengthened risk management practices, and the use of data-driven insights to optimise portfolio performance.

Medium to Long Term

The medium to long term outlook for the life insurance sector remains positive, underpinned by sustained macroeconomic stability, ongoing structural reforms, and increasing financial literacy. Rising income levels, together with demographic shifts and the growing prevalence of non-communicable diseases, are expected to drive long term demand for protection, health, and retirement solutions.

Within this environment, the business will continue its strategic evolution towards becoming a fully digital, customer-centric insurer, supported by a strong focus on sustainable profitability and long term value creation. Key focus areas will include:

- Strengthening digital infrastructure to enable seamless, end-to-end customer journeys.
- Expanding and optimising a multi-channel distribution model across agency, bancassurance, and digital ecosystems.
- Driving product innovation through modular and flexible insurance solutions.
- Leveraging data and advanced analytics, predictive modelling, and dynamic pricing to enhance underwriting and claims management.
- Deepening partnerships with healthcare providers and financial institutions to deliver integrated offerings.
- Focusing on transitioning toward data-driven advisor recruitment, workforce planning, and enhanced customer engagement across distribution.
- Aiming to strengthen bancassurance through next-best-offer and cross-sell analytics to deepen customer relationships.
- Envisioning integrating Agentic AI to support decisions across lead prioritisation, product recommendations, sales support, and performance management.
- Prioritising building robust enabling systems and controls aligned with the Group's governance and value assurance framework.

In parallel, the business will place increasing emphasis on building organisational resilience and future readiness through:

- Strengthening cybersecurity and data privacy frameworks.
- Investing in talent development and upskilling, particularly within the agency force.
- Embedding ESG considerations and sustainable practices into core operations.

Over the longer term, the business is well positioned to benefit from favourable industry dynamics, including increased risk awareness, regulatory advancements, and the continued evolution of a digitally enabled insurance ecosystem. These developments are expected to support sustained growth, improved transparency, and enhanced competitiveness within the sector.

Banking

Immediate to Short Term

Sri Lanka's near term outlook remains positive, supported by continued macroeconomic stabilisation, easing inflation, a relatively stable currency, and a low interest rate environment. These conditions, together with improving consumer confidence and the gradual normalisation of economic activity, are expected to support renewed demand across core banking segments, particularly in consumer lending.

Against this backdrop, the Bank will continue to pursue growth opportunities through a disciplined and risk-conscious approach, while maintaining strong capital and liquidity buffers. The anticipated expansion in consumer financing, supported by factors such as the resumption of vehicle imports and increased household spending, is expected to provide further momentum to the Bank's lending portfolio.

Digitalisation will remain a key strategic enabler, with a continued focus on accelerating customer migration to digital platforms, enhancing the overall value proposition, and improving operational efficiency. The Bank will also intensify efforts to strengthen its consumer banking franchise through targeted, data-driven propositions and personalised financial solutions.

Key strategic priorities in the short term will include:

- Driving sustainable profitability through disciplined cost of funds management and preservation of asset quality.
- Optimising returns within a low-interest rate environment through prudent capital allocation.
- Accelerating digital adoption to enhance customer experience and operational agility.
- Expanding consumer banking through focused, segment-led growth strategies.
- Strengthening workforce agility and engagement to respond to evolving industry dynamics.
- Advancing ESG integration across operations and decision-making frameworks.

Stress testing will continue to play a central role in assessing resilience under varying scenarios, including prolonged low interest rates and external uncertainties arising from global geopolitical and policy developments. This will ensure that capital and liquidity positions remain robust, enabling timely and effective responses to potential shocks.

Medium to Long Term

The medium to long term outlook for the Bank remains favourable, underpinned by Sri Lanka's ongoing economic recovery, progressive structural reforms, and the continued evolution of the financial services landscape towards digital ecosystems.

The Bank is well positioned to capitalise on these trends through its strong digital foundation, customer-centric business model, and agile operating structure. Strategic investments in technology, data, and customer experience are expected to drive sustainable growth, while reinforcing the Bank's positioning as a differentiated, niche player in the market.

INDUSTRY GROUP REVIEW

FINANCIAL SERVICES

Over the medium to long term, the Bank will focus on:

- Further strengthening digital infrastructure and embedding end-to-end digital capabilities across all customer journeys.
- Scaling data and advanced analytics to enable insight-driven decision-making and hyper-personalised offerings.
- Pursuing selective, risk-based portfolio expansion to optimise returns while safeguarding asset quality.
- Deepening customer relationships through lifecycle-based engagement and ecosystem partnerships.
- Investing in workforce upskilling to build future-ready capabilities aligned with digital transformation.
- Embedding climate risk considerations within enterprise risk management frameworks, including scenario analysis and stress testing.
- Expanding sustainable finance initiatives and supporting the transition towards a low-carbon economy.

In parallel, the Bank will continue to explore selective inorganic opportunities that complement its strategic objectives, while maintaining a disciplined approach to growth and value creation.

Stockbroking

Immediate to Short Term

Near term conditions for the capital market remain constructive, supported by macroeconomic stability, improved policy consistency, and strengthening investor confidence. Increased liquidity in the financial system, together with a relatively low-interest rate environment, is expected to sustain the shift in investor preference towards equities, driving trading activity and market turnover at the CSE.

In this context, JKSB is well positioned to capitalise on improving market dynamics through its research-led advisory model and expanding digital capabilities. The business will focus on deepening client engagement, enhancing execution efficiency, and broadening participation across both retail and high-value investor segments. Particular emphasis will be placed on strengthening its value proposition through timely market insights, personalised advisory, and seamless digital interfaces.

Strategic priorities in the short term will centre on:

- Enhancing client acquisition and retention through targeted engagement of high-net-worth and active retail investors.
- Further optimising digital platforms to improve accessibility, speed, and overall trading experience.
- Leveraging research capabilities to drive higher client activity and share of wallet.
- Expanding investor education initiatives to support informed market participation.

While the outlook remains positive, market sentiment may be influenced by external and domestic uncertainties, including geopolitical developments, shifts in global capital flows, and the pace and consistency of local policy implementation. Accordingly, the business will maintain a disciplined and agile approach to navigating market volatility.

Medium to Long Term

Over the medium to long term, the outlook for the stockbroking industry remains favourable, supported by Sri Lanka's ongoing economic normalisation, increasing financialisation of savings, and the gradual deepening of capital markets. Structural improvements in market infrastructure, regulatory frameworks, and transparency are expected to further enhance investor confidence and participation.

Within this environment, JKSB will continue to strengthen its positioning as a research-driven, digitally enabled intermediary, with a clear focus on building a diversified and resilient client franchise. The business will prioritise:

- Expanding its presence among foreign institutional investors through strategic partnerships and strengthened international connectivity.
- Broadening its domestic client base, with increased focus on corporates, fund managers, and high-net-worth individuals.
- Investing in advanced digital tools and analytics to enhance trading capabilities and client experience.
- Delivering differentiated, insight-led advisory services to support long term client value creation.

In parallel, the business will continue to align with evolving industry dynamics, including increased digital adoption, heightened competition, and changing investor expectations. Ongoing investments in technology, research, and client engagement are expected to support sustainable growth, while reinforcing JKSB's competitive positioning within the market.

Conflict in Middle East – Outlook for Sri Lanka

The ongoing conflict in the Middle East has introduced heightened geopolitical uncertainty, which has had ripple effects across global financial markets. For Sri Lanka, this has translated into increased volatility in foreign exchange and commodity markets, higher global oil prices, and disruptions in inflows. These developments can affect liquidity, investor sentiment, and risk appetite within the domestic financial services sector.

For the Financial Services industry group, the immediate impact has been primarily on market sentiment and investment activity. While core operations remain resilient, heightened volatility may influence client behaviour, particularly in investment portfolios, insurance surrenders, and stockbroking activity. The Group continues to mitigate these risks through robust risk management frameworks, diversified investment strategies, and prudent liquidity management, ensuring operational stability and sustained service delivery to clients.

Overall, while external geopolitical tensions present short term challenges, the Group's strong capital position, diversified portfolio, and disciplined risk approach provide resilience, enabling it to navigate volatility while continuing to capitalise on domestic growth opportunities.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Business Model

The Other industry group collectively comprises of the Information Technology (IT) sector, Plantation Services sector, and the Holding Company including its centre functions.

The Information Technology sector comprises John Keells IT (JKIT), a fully owned subsidiary of the Group, together with Infomate, the Group's IT-enabled services arm, which also operates as a subsidiary. The Plantation Services sector consists of John Keells PLC (JK PLC) and John Keells Warehousing (JKW), both of which are subsidiaries of the Group. The Holding Company and centre functions provide strategic direction, governance, and shared services, thereby enabling alignment and supporting long term value creation across the Group.

Contribution to the John Keells Group

Revenue	1%
EBITDA	3%
PBT	(17%)
Assets	12%
Capital Employed	14%
GHG Emissions Footprint	0%



Industry Group Structure

Information Technology

IT Services

- JKIT - a boutique IT consultancy and professional service provider with a vision to simplify and digitally transform businesses to be relevant in the data-driven experience economy.
- Key value stacks:
  - JKIT Strategy – experiencing a data-driven economy through design thinking.
  - JKIT Core – orchestrating enterprise application portfolios.
  - JKIT Cloud – architecting cloud transformation.
  - JKIT Platform – enabling a 'Smart' future.
  - JKIT Ecosystem – driving the Application Programming Interface (API) economy.

IT-Enabled Services

- Infomate - a business process management (BPM) service provider with the mandate of driving greater efficiencies for their clientele.
- Key focus areas:
  - Finance and accounting.
  - Payroll management.
  - Data digitisation.

Plantation Services

- JK PLC – a leading tea and rubber broker.
- John Keells Warehousing (JKW) – operates a state-of-the-art warehouse for pre-auction produce.

Other

- JKH (Holding Company) and other businesses (Centre functions/divisions).

Refer the Group Directory section for the equity holdings of the businesses – page 582.

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

		2025/26	2024/25	2023/24
Financial and Manufactured Capital				
Revenue [1]	Rs.million	4,104	6,129	6,057
EBITDA	Rs.million	2,022	3,929	5,036
EBIT	Rs.million	1,507	3,581	4,726
PBT	Rs.million	(6,281)	(6,642)	(7,349)
PAT	Rs.million	(9,572)	(9,117)	(9,513)
Total assets	Rs.million	109,517	114,528	98,252
Total equity	Rs.million	(7,807)	9,847	(5,788)
Total debt [2]	Rs.million	108,308	97,072	95,434
Capital employed [3]	Rs.million	100,501	106,920	89,839
Natural Capital				
Energy consumption	KWh '000	2.84	69.48	78.10
Energy consumption per Rs.million of revenue	Kwh/ Rs.million	0.34	7.15	8.24
GHG emissions footprint	tCO_2e	477	1,996	2,040
GHG emissions footprint per Rs.million of revenue	tCO_2e/ Rs.million	0.06	0.21	0.22
Water withdrawal	Cubic metres (m^3)	12,821	51,822	23,379
Water withdrawal Rs.million of revenue	m^3/ Rs.million	1.53	5.33	2.47
Volume of hazardous waste generated	kg	-	31	-
Volume of non-hazardous waste generated	kg	-	105,605	122,814
Waste generated per Rs.million of revenue	Kg/ Rs.million	0.00	10.87	12.96
Human Capital				
Total workforce	No.	1,195	1,223	1,042
Total employees	No.	1,023	982	986
Total contractor's personnel	No.	172	241	56
EBIT per employee	Rs.million	1.51	3.65	4.79
Average training per employee	Hours	9.65	24.62	14.06
Total attrition	%	26.23	35.54	37.10
Female employees	%	54	51	50
Total number of injuries	No.	-	11	4
Social and Relationship Capital				
Community services and infrastructure projects [4]	Rs.'000	17,331	74,882	65,893

1. Revenue is inclusive of the Group's share of equity accounted investees.
2. Excludes lease liabilities.
3. For equity accounted investees, capital employed is representative of the Group's equity investment in these companies. This is inclusive of lease liabilities.
4. Only the contribution to John Keells Foundation.

Information Technology Sector Value Chain

JKIT, Infomate and the Group's IT-related activities span upstream (talent, partner ecosystem, Research and Development (R&D)), core operations (consulting, implementation, managed services, product engineering), and downstream (clients, channels, SaaS products, global delivery). Each stage presents unique risks, opportunities, and environment, sustainability and governance (ESG) considerations.

IT Services and IT-Enabled Services

Upstream

- Hyperscalers, customers, delivery partners, universities and training partners
- Principals, regulators, auditors and investors
- External consultants and outsourced service providers
- Employees and internal delivery teams
- IT, cloud and infrastructure providers
- Rural business process outsourcing (BPO) centres (IT-enabled services only)

Midstream

- Service line identification and business case development
- Solution portfolio selection architecture and design
- Partnerships and vendor management
- Talent attraction and retention planning, employee training and development
- Client acquisition, onboarding and product deployment
- Governance, policies, risks and compliance management
- Core service delivery operations
- Support functions, including HR management, utilities management and waste management
- Physical and data security and quality assurance
- Customer feedback management

Downstream

- Internal and external customers - product delivery
- Internal and external customers - direct enterprise sales (IT Services only)

Plantation Services Sector Value Chain

The Plantation Services value chain spans upstream tea cultivation and factory production, intermediary broking and auction services, and downstream sales to domestic and international buyers, supported by logistics, warehousing, and end of life management activities. JK PLC operates as a tea and rubber broking and market intermediation business, generating revenue by facilitating the sale of tea and rubber between producers and buyers through auctions, forward contracts and private sales.

Upstream	» Tea smallholders, tea estates, regional plantation companies, regulatory bodies and investors » Tea nurseries and Tea Research Institute (TRI) » Staff, workers and unions » Suppliers, transporters and warehouse providers
Midstream	» Quality assurance and sensory analysis including tea tasting and valuation » Manufacturing advice and bought-leaf advances » Warehousing, goods receiving, dispatch and waste management » Cataloguing and sample distribution to buyers » Marketing and auctioning » Recording and compliance documentation » Collection of proceeds
Downstream	» Tea and rubber brokers » Colombo Brokers Association, third-party logistics



External Environment and Operational Review

Macroeconomic Update – Information Technology

» In CY2026, global IT spending is projected to reach USD 5.54 trillion, reflecting a 9.8% growth year-on-year, driven primarily by continued investments in cloud infrastructure, enterprise and generative artificial intelligence (AI), cybersecurity, and data centric platforms.

» The Asia-Pacific (APAC) region, including Sri Lanka, maintained growth momentum, with technology spending expanding by high single-digit rates, supported by increased digital adoption across Banking, Financial Services and Insurance (BFSI), manufacturing, retail, telecommunications, and public sector services.

» Sri Lanka's information and communication technology (ICT) and business process management (BPM) sector remained a key contributor to services exports, with export earnings increasing to ~USD 1.45 billion in CY2025, supported by sustained demand for software development, cloud services, digital engineering, and remote business services.

» IT/BPM industry continues to target export revenues of USD 5.00 billion by CY2030, supported by national digital economy initiatives, talent development efforts, and a growing focus on higher value, knowledge-based digital services.

Key Policy and Regulatory Highlights

» Sri Lanka continued to advance its digital economy agenda through tax and regulatory reforms, with increased emphasis on data governance, online safety and telecom market oversight. These developments are expected to shape compliance requirements and operating costs for ICT/BPM and digital service providers, while supporting trust and adoption of digital services over the medium term.

- Corporate income tax on export services at 15% was reinstated effective 1 April 2025.
- Value added tax (VAT) of 18% was introduced for digital services supplied by non-resident persons through electronic platforms to customers in Sri Lanka, effective 1 October 2025, requiring qualifying non-resident suppliers to register and remit VAT.
- The Personal Data Protection Act, No. 9 of 2022 moved into enforcement from 18 March 2025 (phased operationalisation), introducing new obligations around lawful processing, security safeguards and governance for controllers and processors.
- The Online Safety Act, No. 9 of 2024 (in force from 1 February 2024) established an Online Safety Commission and a framework to address specified harmful online content, with implications for digital platforms and compliance expectations.
- The Sri Lanka Telecommunications (Amendment) Act, No. 39 of 2024 strengthened regulatory oversight (including market analysis, competition-related measures and licensing requirements for operators and providers), supporting continued sector modernisation.

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Information Technology

During 2025/26, JKIT accelerated digital transformation outcomes for clients through its five integrated service stacks: Strategy, Core, Cloud, Platforms and Ecosystems. These solutions supported businesses to become more agile, intelligent and resilient in an increasingly data driven, experience-led economy.

JKIT maintained its market leadership in Sri Lanka and the United Arab Emirates (UAE), while progressing its expansion agenda across India, Saudi Arabia and Southeast Asia. A regionally adaptive operating model, combined with deeper relationships with strategic customers and a strong partner ecosystem, supported continued participation in sector-wide transformation programmes across industries.

JKIT's performance in 2025/26 was supported by stronger engagement with strategic customers and global technology principals, including SAP, Microsoft, Salesforce and Cisco. The business led several enterprise resource planning (ERP) modernisation engagements using SAP S/4HANA and SAP RISE, while expanded solution listings enhanced accessibility and reach. Microsoft Azure continued to underpin JKIT's cloud agenda, enabling delivery of cloud transformation, security, data and automation solutions leveraging Azure, Power Platform and Microsoft Security across Sri Lanka, APAC and the Middle East.

JKIT expanded its customer experience transformation services using Salesforce Marketing Cloud, Service Cloud and customer data platforms (CDPs), delivering personalised engagement solutions for retail, BFSI and hospitality clients. In parallel, collaboration with Cisco supported customers to strengthen network resilience and cybersecurity readiness through secure and scalable infrastructure. Together, these alliances enhanced JKIT's ability to deliver integrated solutions across platforms for mid-sized and large enterprises in Sri Lanka and overseas markets.

JKIT also received recognition from its technology partners for contributions to partner ecosystems and market development in key territories, supporting brand visibility and business development across priority markets.

The year's progress was also reflected in deeper executive engagement and joint go-to-market motions with key partners, resulting in a stronger pipeline of transformation opportunities and improved delivery alignment for strategic customers across the region.

Infomate, the BPM arm of the Group, recorded an encouraging performance during the year and sustained its position among Sri Lanka's top BPO providers, expanding operations in Australia, the Nordic region, and the Middle East. Infomate became the first BPM company in Sri Lanka to be featured in Everest Group's Peak Matrix Assessment for Finance and Accounting BPM Services 2025, validating its position as a leading finance and accounting outsourcing provider in the country.

During the year under review, the business diversified into the areas of human resource outsourcing and lead generation while adding seats in its core finance and accounting practice.

Awards and Accolades

- John Keells IT
  - 'Partner of the Year' – Sri Lanka 2025 from SAP
  - 'Partner of the Year' – Microsoft (India and South Asia)

Macroeconomic Environment – Plantation Services

- Global tea production remains dominated by China, with 3.74 million Metric Tonnes (MT), followed by India with 1.28 million MT, together representing 78% of global output. Other key producing nations include Kenya, Sri Lanka, Vietnam, and Indonesia.
- Sri Lanka's cumulative tea production for CY2025 reached 264,120 MT, reflecting an increase of 1,430 MT over the 262,690 MT recorded in CY2024. All elevations recorded an increase versus CY2024, and production also surpassed the 256,090 MT recorded in 2023. Notwithstanding this improvement, production remained below the targeted 280,000 MT, primarily due to adverse weather conditions and the impact of Cyclone Ditwah.
- Sri Lanka's tea exports for CY2025 reached 257,440 MT, a 5% increase from 2024's 245,790 MT, representing the country's strongest export volume since CY2014. In value terms, export earnings increased by ~5% to USD 1.51 billion in CY2025, from USD 1.43 billion in CY2024.
- Iraq maintained its position as the leading importer of Sri Lankan tea during the first quarter of 2025, with Russia and Libya following as the second and third largest markets respectively. Exports to Libya saw particularly significant growth, while shipments to the UAE and Turkey declined.
- Value-added tea exports increased to 58% of total exports in CY2025, from 53% in CY2024, with bagged tea rising to 45% of total export volume while bulk tea's share fell to 42%. This shift towards value-added products continues to support premium pricing realisation.
- The average auction price at the Colombo Auction for the first quarter of 2025 declined to Rs.1,179.32 (USD 3.98) per kg from Rs.1,286.99 (USD 4.11) per kg in the same period of 2024, reflecting global price fluctuations. The Free on Board (FOB) average export price for the same period stood at ~Rs.1,762 (USD 5.85) per kg.

Key Policy and Regulatory Highlights

- The National Minimum Wage of Workers (Amendment) Act, No. 11 of 2025, was enacted and was deemed effective from 1 April 2025, introducing a two-tier increment: a minimum monthly wage of Rs.27,000 (daily: Rs.1,080) from April to December 2025, rising to Rs.30,000 per month (daily: Rs.1,200) from 1 January 2026. Notably, these revisions do not directly apply to Regional Plantation Companies engaged in tea growing and manufacturing, as their applicable wages under the Wages Board are already higher than the national minimum.
- The Sri Lanka Tea Board has targeted tea production of 290-300 million kg for CY2026, supported by Government fertiliser subsidies for smallholders and ongoing replanting initiatives.

Plantation Services

The Sri Lankan tea industry recorded a modest improvement during the year, with production increasing marginally despite a slowdown in the second half due to unfavourable weather conditions. Export performance remained resilient, with growth in both volumes and earnings, although average rupee realisations declined slightly due to the appreciation of the Sri Lankan Rupee. The operating environment became more challenging towards the latter part of the year, driven by reduced shipments to Iran following the reimposition of US sanctions, alongside disruptions caused by Cyclone Ditwah.

Despite these challenges, the industry demonstrated resilience, supported by steady demand from traditional markets and the gradual emergence of China as a key export destination.

JK PLC recorded a growth across all segments with 4% growth in the low, 1% growth in the medium and 7% growth in the high grown segments during the year, with total volumes brokered increasing to ~34.92 million kg [2024/25: 33.39 million kg], representing a growth of ~4%. This translated into a market share of 13.1% [2024/25: 12.9%]. The business proactively developed new client relationships during the year, onboarding 17 new tea markets and securing 995,938 kgs of incremental volume from new business, supporting broader market coverage and product availability. Through the integration of the Inland Revenue Department's (IRD), Rapid Access Management Information System (RAMIS) platform, the business continued to strengthen back-office systems and processes during the year, with a focus on improving operational efficiency and minimising turnaround times.

JKW maintained strong utilisation levels throughout the year, operating at near-full capacity. In order to derive a better yield from the available warehousing space, a portion of the facility was leased to an external logistics partner during the year. Revenue from the warehousing operations continued to grow during the year, supported by higher throughput and improved rental income. The business also progressed IT-driven process improvement initiatives, including the evaluation of back-office system upgrades and the implementation of digital tools to enhance operational efficiency. These investments are expected to support the business's longer term competitiveness and service delivery standards.

In April 2025, JKH divested the totality of its 37.62% equity stake in TSF, comprising of 11,286,000 ordinary shares, at Rs.35 per share for a total consideration of Rs.395 million.



Impact of the Middle East Crisis

The escalation of geopolitical tensions in the Middle East has created uncertainty for the Plantation Services sector, primarily through disruptions to key shipping routes. With the diversion of the major carriers away from the Strait of Hormuz and Red Sea, transit times have increased by 10–14 days, raising freight and insurance costs and impacting Sri Lanka's tea exports, around 50% of which are destined for the Middle East.

Despite these challenges, the impacts witnessed has been less severe than anticipated. Tea exports to key markets such as Iraq, UAE, and Iran have continued via alternative routes, with overall export volumes in early 2026 showing year-on-year growth. Iraq remains the largest buyer, while Turkey has emerged as a strong growth market, helping offset softer demand elsewhere.

Other

In addition to the Information Technology and Plantation Services sectors, the industry group also entails the Holding Company and its various divisions.

Holding Company

The Holding Company operates in a manner where each industry group operates with relative autonomy, whilst linked together for strategic direction through the Board and the Group Executive Committee. The Centre Functions of the Holding Company ensure best in class governance standards, uniformity in the policy framework, excellence and consistency in support services across the Group, aiding industry groups in managing crucial aspects effectively and receiving support in niche operational decision-making.

The Centre Functions of the Group entail:

Centre Function/ Division	Activities
Corporate Communications	» Manages the Group's internal communications and Group level communication with media personnel
Corporate Finance and Strategy	» Evaluates Mergers and Acquisitions, effects financial evaluation, capital planning and monitoring. » Reviews the Group Portfolio, facilitates planning, strategy formulation and manages business specific strategic projects/studies.
Data and Advanced Analytics – OCTAVE*	» Business transformation through the development of data and advanced analytics use cases.
Group Business Process Review	» Oversees the integrity of the financial statements and internal control.

Refer the Intellectual Capital Review section for a detailed discussion – page 129.

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Centre Function/ Division	Activities
Group Finance and Insurance	» Consolidates Group accounts and provides guidance on interpretation and implementation of accounting standards for the Group. » Manages risk, coverage, claims and ensures compliance
Group Human Resources (HR)	» Sets HR policy and coordinates /monitors Group HR processes.
Group IT	» Supports the Group's IT requirements.
Group Tax	» Development of Group tax strategy and planning.
Group Treasury	» Manages interest rate negotiations and foreign exchange, evaluates the sourcing of finance and manages the Group pension fund. » Provides treasury advice and ensures the facilities obtained are in line with Group norms.
John Keells Foundation**	» A subset of sustainability which manages strategic CSR initiatives in line with the Sustainability Development Goals.
John Keells Research*	» Generates scientific research ideas and develop such ideas into Intellectual Property (IP) either to commence commercial production or monetise the IPs itself to generate revenue.
Legal and Secretarial	» Provides legal and secretarial support to Group companies.
New Business Development	» Development of new business opportunities for the Group.
Sustainability, Enterprise Risk Management and Group Initiatives	» Operationalisation of Group Sustainability Management Framework under which Group companies carry out their specific sustainability strategies and initiatives. » Manages the Enterprise Risk Management system for the value creation process. » Manages Group-wide synergetic initiatives (sourcing and sharing of best practices on quality).
Social Entrepreneurship**	» Spearheads *Plasticcycle*, Group's social entrepreneurship initiative.

***Refer the Natural and Social and Relationship Capital Review sections for a detailed discussion.*

The year under review reflected a stabilisation of the economy, with macroeconomic conditions transitioning from recovery to consolidation. Headline inflation, which remained in deflationary territory through much of the prior period, gradually normalised during 2025/26, moving towards low single-digit levels. Interest rates continued their downward trajectory in line with easing monetary policy, with policy rates easing to around 8.25%–7.25% during the year, supporting improved credit conditions and a gradual recovery in private sector lending and investment activity.

Strengthened foreign exchange inflows, driven by a further rebound in tourism earnings and steady worker remittances, alongside prudent import management, contributed to enhanced external sector stability. Consequently, the Sri Lankan Rupee demonstrated relative stability against the US Dollar during the year, with reduced volatility compared to the previous period, reflecting improved market confidence and macroeconomic fundamentals.

Amid a progressively stabilising macroeconomic environment, the Holding Company placed increased emphasis on enhancing financial flexibility and strengthening its central treasury function, with a focus on optimising liquidity and cash flow visibility across the Group. This enabled the continued advancement of priority investments and strategic initiatives, while maintaining financial discipline and supporting long term value creation during 2025/26.

During the year, the Group advanced its enterprise transformation agenda through the phased implementation of SAP RISE, migrating to a standardised, cloud-based core system across operations. The new platform has strengthened enterprise governance and internal controls by improving data integrity, real-time performance visibility, process standardisation, auditability and control effectiveness. The migration was completed with minimal disruption, with year-end financial closing executed on the new system without significant issues. Complemented by the adoption of SAP Signavio, the transformation enhances process intelligence and continuous improvement, supporting more informed decision-making, operational resilience and scalable growth across the Group.

Refer the Intellectual Capital Review section for a detailed discussion – page 129.

OCTAVE, the Data and Advanced Analytics Centre of Excellence of the Group, functions as an independent advanced analytics practice, that has served the John Keells Group from inception, and more recently commenced providing advanced analytics services for clients outside the Group via commercial engagements. Further, it has been instrumental in supporting the Group's proactive planning and management of its diverse business portfolio. During the year under review, OCTAVE developed and deployed bespoke advanced analytics solutions across the Retail, Consumer Foods, Leisure, Financial Services and Transportation industry groups.

John Keells Research, the Group's research arm shall cease operations during the year 2026/27. This decision was formed as part of a broader strategic realignment undertaken by the Group, with a deliberate emphasis on strengthening and scaling its core businesses, whilst ensuring the optimal allocation of capital and management resources in alignment with its long term strategic priorities.

Refer the Intellectual Capital Review section for a detailed discussion – page 129.

Financial Performance Review

Information Technology

Rs.million	2025/26	2024/25	%
Income Statement Indicators			
Revenue	3,256	2,469	32
EBITDA*	719	599	20
PBT	598	434	38
Balance Sheet Indicators			
Debt**	168	97	73

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

- Revenue recorded an improvement, driven by the IT services business, JKIT, with growth stemming from the recognition of newly committed revenue from key customers. Additionally, revenue at Infomate also recorded strong growth during the year, driven by enhanced service delivery across key clients in the US and UK, continued client acquisitions and expansion of service offerings.
- The growth in EBITDA was largely underpinned by improved performance at JKIT, reflecting tighter control over administrative and staff expenses and other prudent cost management initiatives.
- Despite higher borrowings, PBT improved during the year, driven by a significant increase in finance income at JKIT, mainly attributable to exchange gains on foreign currency cash balances. The improvement in profitability was further supported by disciplined cost management initiatives at Infomate, including right-sizing of staff structures, tighter control over discretionary expenditure and ongoing efficiency enhancements through process improvements and automation.
- The increase in debt is due to higher borrowings at JKIT, on account of higher working capital requirements.

Plantation Services

Rs.million	2025/26	2024/25	%
Income Statement Indicators			
Revenue	646	3,452	(81)
EBITDA*	109	351	(69)
PBT	59	218	(73)
Balance Sheet Indicators			
Debt**	65	90	(28)

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

- In April 2025, JKH divested the totality of its 37.62% equity stake in TSF comprising of 11,286,000 ordinary shares, at a price of Rs.35 per share, for a total consideration of Rs.395 million. The Group recorded a loss of Rs.259 million (at a consolidated level) on the disposal of its stake, which is recognised under the Holding Company. The indicators for 2024/25 include the performance of TSF.
- During the year, JK Warehousing recorded an 11% increase in revenue driven by higher rental income. Reflecting the growth in revenue together with improved operational performance, EBITDA increased by 10% during the year. PBT of JK Warehousing increased by 21%, primarily due to lower finance expenses arising from improved treasury management.
- JK PLC recorded a decline of 5% in revenue primarily attributable to lower brokerage fees and a reduction in sellers' interest income. During the year both EBITDA and PBT recorded a decline due to a bad debt provision of Rs.110 million. Excluding the impact of the bad debt provision, EBITDA and PBT declined by 14% and 10% respectively. The finance expense for the year declined by 90%, offsetting the impact on PBT.
- The reduction in debt during the year was mainly attributable to JK Warehousing.

Recurring Adjustments

- The fair value gains on investment property pertaining to JK PLC were recorded at Rs.13 million [2024/25: Rs.38 million]. Accordingly, the recurring PBT of the industry group, excluding the fair value gains and losses on investment property, amounted to Rs.46 million [2024/25: Rs.179 million].

Other

Rs.million	2025/26	2024/25	%
Income Statement Indicators			
Revenue	202	209	(3)
EBITDA*	1,194	2,979	(59)
PBT	(6,938)	(7,294)	5
Balance Sheet Indicators			
Debt**	107,845	96,761	11
Net Debt***	46,960	31,462	39

**EBITDA includes interest income but excludes all impacts from foreign currency exchange gains and losses, to demonstrate the underlying cash operational performance of businesses.*

***Excludes lease liabilities.*

****Net debt is arrived by subtracting the Holding Company's total cash and cash equivalents, including its short-term investments from its debt excluding leases.*

- The marginal reduction in revenue of the Holding Company was primarily due to a reduction in external revenue from OCTAVE.
- In April 2025, JKH divested the totality of its 37.62% equity stake in TSF comprising of 11,286,000 ordinary shares, at a price of Rs.35 per share, for a total consideration of Rs.395 million. The Group recorded a loss of Rs.259 million, on the disposal of its stake, which is eliminated on a recurring basis.
- EBITDA of the Holding Company recorded a decline during the year mainly due to higher costs at the Holding Company. Finance income (excluding exchange gains/losses) declined during the year, reflecting lower interest income amid decreasing interest rates and a reduced USD cash balance, alongside lower gains on loan-related hedge instruments. This was partially offset by the positive impact of translating US Dollar denominated interest income following the depreciation of the LKR.
- The PBT of the Holding Company recorded an improvement during the year under review driven by the following factors:
  - A significant reduction in interest expense during the year under review was primarily due to the lower interest charge on the convertible debentures issued to HWIC Asia Fund (HWIC) compared to the previous year, following the full conversion of

the debentures in January 2025. The total interest expense relating to the convertible debentures amounted to Rs.1.80 billion in 2024/25, whilst in the year under review no interest charge was incurred.

- Additionally, interest expense declined during the year, due to lower interest costs on the International Finance Corporation (IFC) loan following repayments. Consequently, interest expense for the year amounted to USD 11 million compared to USD 13 million in 2024/25.
- PBT for the year under review included net exchange gains of Rs.846 million, compared to a net exchange gain of Rs.20 million recorded in the previous year, arising from the net US Dollar denominated cash holdings at the Holding Company.

» The Company infused Rs.19.48 billion to Waterfront (Properties) Private Limited, the developer of the City of Dreams Sri Lanka integrated resort as equity.

» In December 2024, the Company commenced repayment of the USD 175 million term loan facility obtained from IFC. ~USD 39 million in capital repayments were completed since the commencement of the repayments, resulting in an outstanding loan balance of ~USD 136 million as at year end.

» The increase in Holding Company borrowings was mainly driven by higher short term borrowings and bank overdrafts, partly offset by a reduction in long term interest-bearing loans following the repayment of a significant portion of term loans, including the IFC loan.

» The rise in short term borrowings and bank overdrafts reflects the full infusion of Rights Issue proceeds raised in October 2024 into WPL during the year. As at 31 March 2025, the unutilised proceeds had been temporarily deployed against short term borrowings and overdraft facilities, resulting in a temporary reduction in these balances at that time.

» In line with the increase in debt levels, the Holding Company's net debt position increased primarily due to the reduction in short term investments during the year. The reduction in short term investments is attributable to the utilisation of available funds towards capital commitments, debt servicing obligations, and planned equity infusions into key strategic investments and subsidiaries of the Group.

Refer Financial and Manufactured Capital Review section of the Report for further details– page 51.

Recurring Adjustments

» The industry group recorded fair value gains on investment property (IP) of Rs.38 million which stemmed from the Plantation Services sector and the investments at the Holding Company [2024/25: Rs.64 million].

» As mentioned above, the Group recorded a loss of Rs.259 million from the disposal of the equity stake at TSF.

The recurring PBT of the industry group, adjusting for fair value gains from IP and the disposal loss at TSF, stood at a loss of Rs.6.06 billion, compared to the negative Rs.6.71 billion recorded in the previous year.

Return on Capital Employed (ROCE) Analysis

	ROCE (%)	=	EBIT Margin (%)	x	Asset Turnover	x	Capital Structure Leverage
2025/26	1.5		36.7		0.04		1.08
2024/25	3.6		58.4		0.06		1.08

» The ROCE of the Information Technology sector increased to 66.2% [2024/25: 28.1%].

» The ROCE of the Plantations services sector declined to 2.6% [2024/25: 7.0%].

Non-Financial Performance Review

The ensuing section provides an overview of the industry group's approach to managing its sustainability impact topics, as well as financially material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The disclosures are aligned with the Global Reporting Initiative (GRI) Standards with respect to impact materiality, and with SLFRS S1 and S2 in relation to financially material SRROs and CRROs, including the related strategies adopted by the Group to manage them.

Information Technology

Material Matters

The Information Technology sector is cognisant of the impacts of its business operations and engages with key stakeholders including customers, delivery and training partners, cloud and infrastructure providers, principals, regulators, investors, auditors and employees towards its material sustainability impact topics such as GHG Emissions and clean tech, privacy and data security, talent attraction, retention, ethical marketing, well-being, and health and safety, diversity and equal opportunity, and human rights.

Risks arising from these impact topics, as well as risks arising from key dependencies on externalities of environmental and social resources, form the basis of SRROs and CRROs considered by the Information Technology sector.

Further details of these risks can be found in the detailed discussions of the Information Technology sector's SRROs and CRROs below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The sector applies the Group's unified risk management framework across its value chain (upstream partners and procurement, midstream delivery and operations, downstream clients and channels).

Risks are identified through value chain mapping, scored on the Group 5×5 impact × likelihood matrix, and assessed for short, medium and long term effects on financial position, performance, cash flows and cost of capital. The implications on the financial position were undertaken on a judgemental basis during the year, while a more comprehensive financial assessment of the identified SRROs and CRROs will be undertaken in the forthcoming years, enabling the sector to further refine and prioritise financially material SRROs and CRROs.

Based on prevailing macroeconomic and megatrends affecting the industry, together with a detailed assessment of the sector's value chain, a number of risks were identified as material during the year. This exercise resulted in the identification of financially material risks, which are managed through the strategies set out in this section.

Digital, Cybersecurity and Ethical Governance Risks

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Data Privacy and Cybersecurity				
Midstream **IT Services and IT- enabled services-** Physical and data security, and quality assurance	Unauthorised access, ransomware, misconfigured cloud, or third party compromise causing data loss, downtime and regulatory fines.	Short/Medium/ Long	» Regulatory penalties » Remediation costs » Client churn	ISO 27001 ISMS; zero trust, multifactor authentication, security operations centre (SOC) monitoring, continuous vulnerability management, third party security assessments, cyber insurance.

Human Capital, Health and Safety, and Service Quality Risks

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR - Talent Attraction and Retention				
Midstream IT-enabled services	Inability to attract/retain critical skills, burnout, long time to fill critical roles.	Short/Medium/ Long	» Project delays » Margin erosion » Lost bids	Market aligned pay, targeted pipelines (universities, diaspora), training academies, contractor bench, workload management, succession planning.

Physical Climate and Infrastructure Risks

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR - Acute Physical				
Midstream IT- enabled services - Core service delivery operations and support services **Upstream** Rural BPO centres	Flooding, storms, extreme heat or utility outages causing data centre downtime, connectivity loss and service disruption.	Short/Medium/ Long	» Service availability » Contractual service level agreements (SLA) » Client trust, one off remediation costs	Multi region cloud failover, tested disaster recovery (DR)/business continuity planning (BCP), site hazard mapping, flood barriers/ raised infrastructure, emergency spares and rapid recovery playbooks.

Key Sustainability- and Climate-Related Opportunities

All Group entities review opportunities using the same governance, assessment and planning processes applied to risks. Sector leads evaluate strategic potential, financial materiality, operational feasibility, and stakeholder sensitivity and select disclosures to be made public which are not competitor sensitive. Where information is commercially sensitive or could increase operational vulnerability, a principle of proportionate and optional disclosure consistent with SLFRS S1 and S2, where disclosures sufficiently cover the requirements of the standards while protecting competitive or security-sensitive details, have been applied.

On evaluating, the following emerged as key opportunities for the industry group:

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Opportunity Category: CRO - Embracing Green Technology and Reducing Dependency on Fossil Fuels by Switching to Renewable Energy Sources				
Midstream **IT services and IT-enabled services -** Core service delivery operations and support functions	Deploying on site renewables where feasible, negotiate renewable procurement with cloud providers, implement power usage effectiveness (PUE) optimisation, workload scheduling and building management system (BMS) retrofits to reduce energy intensity and exposure to fuel/price shocks.	Short/Medium/ Long	» Lower energy cost volatility » Reduced scope 1/2 emissions » Improved client ESG credentials » Resilience to supply shocks	Resilient assets and operations.

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Information Technology sector follows the John Keells Group's overarching Sustainability Management Framework (SMF) towards identifying and managing its key sustainability impact topics.

This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures to manage such material topics, quarterly capture and tracking of key performance indicators based on the GRI Standards and Sustainability Accounting Standards Board (SASB) Standards, communication of the sector performance to the Group Management Committee, Group Executive Committee and the relevant Board of Directors. This internal management reporting enables the Information Technology sector to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The industry group manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. An overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The short, medium, and long term direction, together with the sector current and anticipated impacts and strategies for the financial year 2025/26, is articulated through the following four pillars, which are discussed in detail below.

- Ethical governance and digital trust
- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship

Ethical Governance and Digital Trust

Cybersecurity, data governance, ethical sourcing, and transparent oversight.

The sector regards ethical governance, cybersecurity and data stewardship as strategic imperatives that underpin commercial access, client trust and long term value. During the year the sector accelerated a coordinated programme of governance, technical controls and supplier oversight to reduce operational and regulatory exposure, protect customer data, and enable secure, market differentiated services. There were no incidents of cybersecurity or data privacy violations during the year.

During the year the Group formalised a Responsible AI policy and governance framework that sets mandatory standards across AI model development, deployment and client engagement. The Responsible AI framework is operationalised through a set of mandatory controls such as use case risk classification to determine required assurance and human oversight, data provenance and consent controls to ensure lawful, auditable training data, IP and licensing checks to prevent third-party rights exposure and client disclosures and terms of use that set expectations and liability boundaries for AI model outputs. Complementary measures include mandatory training for developers and sales on ethical design and contractual obligations, documented incident escalation and rollback plans for model failures, and maintenance of professional indemnity cover calibrated to the risk tier of deployed systems.

These measures reduce legal, regulatory and reputational exposure, lower the probability of costly rework or client disputes, and strengthen the sector's ability to win regulated and ESG sensitive contracts. While there is an upfront cost for governance, assurance and training, the programme protects revenue streams, supports premium pricing for responsibly engineered solutions, and contributes to a lower long term cost of capital by demonstrably reducing operational and compliance risk.

Operationally, the sector completed an ISO aligned gap assessment and advanced its roadmap towards ISO 27001 alignment. A zero trust architecture was implemented across priority environments, with enterprise wide multi factor authentication and privileged access management rolled out together with continuous vulnerability management and establishment of automated patching service level agreements.

A 24/7 Security Operations Centre now provides real time monitoring, supported by routine penetration testing, phishing simulations and incident playbooks that have been exercised through tabletop and live DR scenarios. Backup and disaster recovery arrangements were strengthened and tested for critical services.

Near term expenditure increased due to investments in SOC tooling, assurance, training and supplier audits. These costs are treated as necessary to preserve contract eligibility and client confidence in regulated and security sensitive markets. Over the medium term, the programme is expected to reduce expected incident remediation costs, lower the frequency and severity of operational disruptions, and improve win rates for ESG sensitive request for proposals. Demonstrable security and responsible AI maturity support more favourable insurance terms and contributes to a lower long term cost of capital by reducing contingent liabilities and improving risk perception among lenders and investors.

Planned next steps are to complete ISO 27001 certification, scale external assurance for high risk AI models, embed security and ethical technology requirements into product SLAs and procurement contracts, and continue investment in SOC tooling and specialist capability.

Resilient Assets and Operations

Building climate ready, reliable, and efficient infrastructure.

The Information Technology sector experienced operational impacts this year from acute physical hazards and infrastructure fragility, including localised flooding, utility interruptions and prolonged heat events which caused short outages at colocation and owned hosting sites and increased cooling loads, raising PUE and near term operating costs.

To address these, the sector accelerated resilience investments and operational safeguards such as enhancing BCP and DR, obtaining supplier disclosures on BCP and DRs carrying out of full DR failover exercises with defined recovery time objective (RTO) and recovery point objective (RPO) targets. The sector has also reviewed insurance placements and optimised risk transfer terms to reflect improved controls.

These interventions increase near term capital and operating spend but materially reduce single point failure risk, shorten recovery times and lower expected one off remediation costs. Balance sheet effects include capitalised resilience capital expenditure in the short term and potential asset life extension where upgrades reduce failure rates. On the income statement, depreciation and operating costs rise initially, over the medium term expected outage related costs and SLA credits decline, supporting the enhancements of margins. Cash flow is impacted by immediate capital expenditure and emergency spend, with improved cash conversion anticipated as outages and remediation payments fall. Demonstrable resilience improvements also strengthen the sector's position with insurers and lenders and support access to resilience or sustainability linked financing.

Planned next steps are to complete workload tiering and automated failover rollout, scale retrofits finalise revised insurance placements and prioritise external limited assurance on selected resilience KPIs.

Integrated People and Service Excellence

Strengthening human capital, and inclusive technology.

The Information Technology sector recognises human capital as a strategic asset whose stability and capability directly determines service quality, operational continuity and commercial performance.

The sector treats human capital and service delivery capability as financially material. In the current year, shortages of critical skills together with pressures on remote and hybrid work models increased recruitment difficulties and spend which elevated delivery risks. These dynamics produced short term impacts due to increased recruitment, training and retention costs. These may be expected to increase delivery timelines and result in potential service quality issues.

To manage these impacts the sector implemented a coordinated people and delivery strategy focused on stabilising capacity and protecting revenue: market aligned pay adjustments for scarce skill sets, targeted recruitment pipelines (universities, diaspora and referral channels), an accelerated technical academy with certification pathways, formal succession and skills based workforce planning; and a scalable contractor bench to manage demand peaks.

Complementary measures such as well being programmes, manager training, workload and capacity management were introduced to mitigate the above risks. These interventions are explicitly linked to financial planning utilising people cost sensitivity scenarios.

Financially, these interventions increase near term operating expenditure, recruitment, training, retention bonuses and well-being initiatives, but are expected to stabilise margins and protect capitalised development value by reducing rework, improving billable utilisation and shortening time to revenue. Over the medium term, improved retention and capability will lower repeated hiring costs, reduce project disruption and support stronger client outcomes; over the long term, a stable, skilled workforce will enhance pricing power, customer satisfaction and sustainable profitability.

Sustainable Transitions and Resource Stewardship

Opportunities for the sector in transition.

The Information Technology sector treats transition and resource stewardship as strategic priorities that influence procurement, product design and long term cost exposure. In the reporting period, hosting energy intensity and related scope 3 GHG emissions footprint, was identified as a key climate transition risk exposure, leading to reputational risks arising from client expectations from low carbon solutions and ethical AI.

Towards this, the IT Services sector has identified the need to create green IT and responsible-AI services in order to strengthen trust and reduce regulatory and reputational risks, introduction of Circular IT and low-energy architectures which enables the IT services sector to cut cost, reduce e-waste, diversify suppliers and extend device lifecycles to improve resilience.

Financially, the above is expected to increase near term capital expenditure, however, medium term benefits include lower energy and replacement costs, reduced inventory write offs and new recurring revenue from green hosting and responsible AI services. Balance sheet effects include capitalised refurbishment while income statement effects show initial margin pressure from implementation followed by margin expansion as product offerings are scaled. Cash flow is impacted by upfront spend but improves as recurring green revenue and lower replacement costs materialise.

Key Performance Indicators and Initiatives

During the year under review the sector focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgemental basis with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Information Technology sector were assessed based on the relevant GRI Standards and SASB Standard key performance indicators.

- In the IT sector, both GHG emissions and energy intensities decreased by 13%, while water intensity decreased by 7% during the year, reflecting changes in office space utilisation.
- There were no workplace accidents or fatalities reported, reflecting the office-based nature of operations.
- Staff attrition decreased by 46%, indicating improved workforce retention.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Information Technology sector – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the sector – page 398.

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Plantation Services

Material Impact Topics

The Plantation Services sector is cognisant of the impacts of its business operations and engages with the key stakeholder including tea small holders, tea factory owners, regional plantation companies, investors, regulatory bodies, and employees and workers, other suppliers and warehouse providers towards managing and mitigating its material sustainability impacts topics. The Plantation Services sector has prioritised economic performance, employment, labour management, occupational health and safety, training and developments as its key impact topics.

Risks arising from these impact topics as well as risks arising from key dependencies form the basis of the SRROs and CRROs considered by the Plantation Services sector. Further details of these risks can be found in the detailed discussions of the Plantation Services sector SRROs and CRROs below.

SRROs and CRROs

Key Sustainability- and Climate-Related Risks

The Group applies a unified and consistent risk management framework across all businesses. During the year, the sector risk registers were updated to ensure that the relevant risks were incorporated into the risk registers of each operation.

Each identified risk is assessed through detailed value chain mapping across upstream, midstream, and downstream activities, supported by defined key performance and risk indicators. Risks are evaluated using the Group's 5×5 impact and likelihood matrix, with consideration given to short, medium, and long term implications on the sector's financial position, performance, cash flows, and cost of capital, alongside clearly articulated mitigation actions and key dependencies. During the year, the sector conducted a judgement-based assessment of financial implications. Going forward, a more comprehensive evaluation of identified SRROs and CRROs will be undertaken to strengthen the prioritisation of those with the highest financial materiality.

Digital, Cybersecurity and Ethical Governance Risks

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR - Chronic Physical				
Upstream Tea smallholders, tea estates, regional plantation companies **Midstream** Cataloguing of teas, marketing, auctioning and quality assurance	Drought or increased rainfall impacts tea production, catalogued quantities, warehouse storage quantities and tea prices at the auction. This also impacts the quality of tea produced.	Short/Medium	» Pricing adequacy. » Revenue stability. » Working capital efficiency. » Operating margins. » Cashflow resilience. » Asset utilisation. » Earnings predictability.	Geographic diversification of producer portfolios across elevations, combined with close collaboration with producers on production planning and grade mix alignment to stabilise volumes and revenues, supported by industry led climate responsive agricultural practices.

Disruption to Operations due to Natural Disasters

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: CRR – Acute Physical				
Upstream Tea smallholders, tea estates, regional plantation companies **Midstream** Warehousing, goods receiving, dispatch	Disruption of production, transportation, and supply, leading to reduced catalogued quantities and a potential loss of revenue.	Short/Medium	» Operational continuity. » Auction execution reliability. » Revenue volatility. » Operating costs. » Cash flow disruption. » Balance sheet volatility. » Cost of capital.	Diversifying sourcing regions to reduce localised exposure, strengthening coordination with producers to manage logistics and cataloguing continuity, and leveraging industry capacity building initiatives to improve estate level climate resilience.

Risk of Skilled Labour Shortage

Value Chain Stage	Description	Time Horizon	Impact Area	Strategy
Risk Category: SRR – Skilled Labour Availability and Capability Risk				
Midstream Quality assurance and sensory analysis including tea tasting and valuation, manufacturing advice and bought-leaf advances, marketing and auctioning	A shortage of skilled staff, auctioneers, and manufacturing advisors can reduce operational efficiency, lower quality control, limit auction volumes, and cause customer dissatisfaction, all of which can directly impact revenue.	Short/Medium	» Operational efficiency » Service quality and reliability » Revenue generation » Operating costs » Margin pressure » Cash flow timing » Strategic competitiveness » Cost of capital	Developing internal talent pipelines through internships, training, and succession planning, complemented by partnerships with educational institutions to expand the future skill base and enhance long term workforce resilience.

Approach to Managing Key Impacts and Sustainability- and Climate-Related Risks and Opportunities

Managing Sustainability Impacts

The Plantation Services sector follows the Group's overarching Sustainability Management Framework (SMF) the identification and management of its key sustainability impact topics. This framework consists of the identification of key stakeholder groups, the material impact topics, the development of topic based policies, management approaches and standard operating procedures to manage such material topics, quarterly capture and tracking of key performance indicators based on the GRI Standards and Standards and Sustainability Accounting Standards Board (SASB) Standards, the communication of the industry group performance to the sector Management Committee, Group Executive Committee and the relevant Boards of Directors. This internal management reporting enables the Plantation Services sector to track the performance of its key sustainability impact topics and take course corrective action on a timely basis.

Refer the Sustainability Governance section of the Corporate Governance Commentary for further details of the Group's Sustainability Management Framework and the overall Sustainability Governance Structures – page 337.

The Plantation Services sector manages the impacts of its material sustainability impact topics mentioned above, by aligning its management approach with that of the Group. While an overview of such management approaches is provided in the Capital Sections of this report, the performance and initiatives specific to the industry group are discussed in the following sections.

Refer to the Capital Review sections for a detailed discussion on the industry group-wide management approach disclosures, including commentary on the Group-wide performance relating to material topics, targets, and sustainability initiatives undertaken across the industry group – page 51.

Managing Sustainability- and Climate-Related Risks and Opportunities

The Group's short, medium and long term direction of the sector current and anticipated impacts and strategies for the financial year 2025/26 is articulated based on the following four pillars and discussed in detail below.

- Resilient assets and operations
- Integrated people and service excellence
- Sustainable transition and resource stewardship
- Ethical governance

Resilient Assets and Operations

Strengthening operational resilience to climate disruptions and production volatility.

Climate variability, including drought and excessive rainfall, directly reduces production volumes, catalogued quantities, and tea quality, increasing auction price volatility and weakening revenue generation. These impacts result in lower brokerage income, pressure on margins due to fixed operating costs, volatility in receivables, and tighter working capital cycles in the short to medium term. Over time, sustained climate variability may challenge long term revenue stability and asset utilisation assumptions.

Acute climate events such as cyclones, floods, and landslides further heighten financial risk by disrupting production and logistics, causing auction delays or cancellations. These events can sharply reduce operating cash inflows while driving unplanned costs related to alternative logistics and contingency measures, increasing balance sheet volatility and liquidity risk. JK PLC's strategy therefore prioritises stabilising operational throughput, protecting auction cycles, and strengthening resilience to both chronic and acute physical risks to safeguard financial performance and cash flow continuity across time horizons.

Integrated People and Service Excellence

Building workforce resilience to safeguard auction performance.

Plantation Services sector's auction operations rely on highly specialised talent, including tea tasters, auctioneers, and manufacturing advisors. Current shortages increase workloads, elevate error risk, and reduce operational efficiency, directly impacting brokerage income and client confidence. Financially, this creates pressure through higher overtime and recruitment costs, slower operational cycles, reduced auction throughput, and lower margins in the short term.

Anticipated talent shortages pose a structural risk to long term competitiveness and revenue growth if service quality and auction reliability deteriorate. Persistent capability gaps can weaken operational capacity, dampen cash inflows, and raise the firm's perceived business risk, potentially increasing the cost of capital. The strategic focus on people resilience is therefore essential to protecting auction quality, sustaining service excellence, and preserving long term financial stability.

Sustainable Transitions and Resource Stewardship

Building long term business resilience to climate variability and supply uncertainty.

Long and medium term climate variability introduces sustained uncertainty into production flows, catalogued quantities, and pricing dynamics, resulting in fluctuating earnings performance and cash flow volatility. Over the medium to long term, repeated production shortfalls and quality disruptions may weaken revenue predictability, challenge growth assumptions, and necessitate stronger liquidity buffers.

The sector's strategy under this pillar focuses on evolving the business model to remain viable under changing climatic conditions by integrating climate considerations into revenue forecasting, operational planning, and resource deployment. This supports long term resilience of financial performance, reduces structural exposure to climate shocks, and positions the business to manage future uncertainty more sustainably.

Ethical Governance and Digital Trust

Strengthening governance resilience to protect integrity and stakeholder confidence.

Climate driven disruptions and workforce pressures increase the likelihood of operational errors, delays, and inconsistencies in cataloguing, sampling, pricing, and auction execution. Such events can weaken buyer confidence, delay receivable collections, elevate working capital risk, and adversely affect short term cash flows.

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

In the longer term, repeated governance or execution failures can raise the firm's risk profile, influence lender perceptions, and contribute to a higher cost of capital. This sector's strategy therefore emphasises strong governance, oversight, and disciplined decision-making to protect market integrity, sustain stakeholder trust, and preserve long term business credibility despite increasing climate and operations-related uncertainty.

Key Performance Indicators and Initiatives

During the year under review the Plantation Services sector focused on managing its key impacts and assessing the sustainability- and climate-related risks and opportunities that could potentially affect business operations in the short, medium and long term. While such risks and opportunities were assessed on a judgemental basis with detailed climate scenario analysis to be undertaken in the forthcoming years, the impacts of the Plantation Services sector were assessed based on the relevant GRI Standards and SASB Standards key performance indicators.

- With the divestment of TSFL, the Plantation services sector recorded a reduction in GHG emissions and energy utilisation intensity by 64% and 95%, respectively, while water intensity declined by 35%.
- There were no recordable injuries or fatalities reported in 2025/26, compared to 11 injuries reported in 2024/25. Staff attrition decreased by 89%, reflecting the divestment in TSFL.

Refer the Capital Review section for an in-depth performance review of all material topics pertaining to the Plantation Service sector – page 51.

Refer the SLFRS S1 and S2 Disclosures section for the specific SASB Standard performance indicators pertaining to the sector – page 398.

Outlook

Information Technology

The IT industry in Sri Lanka is expected to sustain growth in 2025/26, supported by demand for cloud migration, cybersecurity, data and analytics, application modernisation and practical adoption of generative AI to improve productivity and customer experience. While global macroeconomic uncertainty may moderate discretionary technology spend in some sectors, investments in digital resilience, regulatory compliance and cost optimisation are expected to remain comparatively resilient. The Group remains positive on the sector outlook, given the increasing preference for partners that can deliver end-to-end outcomes across consulting, implementation and managed services.

Key Risks, Trends and Opportunities Relevant to the Sector:

Risk Landscape

- Macroeconomic and political environment volatility*
- Changes in regulatory environment and operational integrity concerns*
- Supply chain disruptions*
- Financial exposure*
- Global competitiveness and portfolio imbalance*
- Human resources related risks including talent attrition and employee health and safety*
- Environment and biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Commoditisation of services
- Disruptive innovation including rapid adoption cycles for AI and increased governance expectations
- Reputation and brand image related risks*

Opportunities Horizon

- Continued traction for cloud computing and hybrid architectures
- Rising adoption of data platforms, analytics and AI (including generative AI) across industries
- Growing demand for cybersecurity services, managed security and resilience programmes
- Increased adoption of digital solutions and modernisation by enterprises and the public sector
- Opportunities for managed services, outsourcing and offshoring as clients focus on cost optimisation
- Improving digital adoption and skills development, supported by high literacy and a growing IT talent base
- Envisaged growth in the BPM industry, supported by automation and analytics
- Increased investment in technology infrastructure, including AI-ready compute and connectivity

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

Global technology spending is expected to remain on a growth trajectory, led by AI infrastructure, cloud and cybersecurity.

Immediate to Short Term

- The ICT/BPM industry remains a national priority, with targets to contribute USD 15.00 billion to the digital economy and USD 5.00 billion in export revenue by CY2030.
- A tightening regulatory and tax environment, including data protection enforcement, VAT on non-resident digital services and reinstated export service taxes, is expected to raise governance and delivery expectations and will be closely monitored for earnings impact.
- Enterprise demand continues to be driven by cyber resilience, platform modernisation and managed services, although competitive intensity and pricing pressures are likely to persist.
- In UAE, technology spending is expected to remain resilient, driven by digital government programmes and enterprise investment in cloud, data, cybersecurity and AI, alongside higher expectations around security assurance, data protection and third-party risk management.
- The UAE market remains highly competitive with structured procurement cycles, potentially lengthening sales timelines and reinforcing the need for selective pursuit and disciplined commercial governance.
- The Group's IT businesses remain well positioned to scale growth through strengthened partnerships with SAP, Microsoft, Salesforce and Cisco, while JKIT continues to focus on disciplined contract and delivery management, including optimising onsite/offsite delivery models.
- Human capital constraints, particularly in specialist skills such as cloud, cybersecurity and data engineering, are expected to persist, underscoring the importance of continued investment in learning pathways, career development and employee value proposition initiatives.

Medium to Long Term

- Adoption of cloud, SaaS, automation, advanced analytics, application modernisation and cyber resilience is expected to accelerate, with generative AI progressing from pilot initiatives to scaled enterprise deployment.
- This shift is expected to drive demand for data platform modernisation, responsible AI governance, security-by-design and AI-ready infrastructure across computer, storage and networking.
- JKIT will leverage strategic partnerships with SAP, Microsoft, Salesforce, Cisco and UiPath to support regional expansion, focusing on high-value consultative offerings across its five value stacks.
- The business will continue to diversify beyond traditional ERP, strengthening capabilities in customer engagement, intelligent automation, cyber resilience and managed development centres, supported by enhanced delivery and governance.
- In BPM, under-penetration in Sri Lanka and sustained global demand for near- and offshore services present growth opportunities, with Infomate focused on client acquisition, geographic expansion and productivity gains while meeting evolving data protection and assurance expectations.

Plantation Services

The prospects for the Plantation Services sector remain broadly positive, underpinned by its export-oriented nature and the continued global demand for Sri Lankan tea. While traditional markets remain a key anchor, the industry is actively pursuing market diversification, with China, South America, and other emerging economies gaining in importance alongside established destinations such as Iraq, Libya, and the Middle East. The business is cognisant of multiple external headwinds, including exchange rate volatility, geopolitical risks, and competitive pressures from other tea producing nations, which continue to weigh on pricing and demand dynamics.

Key Risks, Trends and Opportunities Relevant to the Sector:

Risk Landscape

- Macroeconomic and political environment volatility*
  - Subdued growth in consumer demand in key buyer markets, compounded by cost of living pressures
  - Shift in discretionary spending, particularly in price sensitive segments of the Middle East and Russia
  - Tightening regulatory environment
- Supply chain disruptions*
  - Reduced exports and potential increase in tariffs stemming from geopolitical tensions
- Financial exposure*
  - Exchange rate volatility
- Global competitiveness*
- Human resources related risks including talent attrition and employee health and safety*
- Environment and biodiversity related risks*
- Natural disasters*
- Cybersecurity risks*
- Reputation and brand image related risks*

Opportunities Horizon

- Expansion into new and emerging markets regionally and globally
- Opportunities for premiumisation
- Emerging demand for functional and wellness teas.
- Technological integration, including of AI in the grading and auctioning process
- Cultural and experiential marketing

**Identified as a risk across the Group through the Group's Enterprise Risk Management framework. Refer Key Risks section under Outlook and Risks for a detailed discussion – page 143.*

INDUSTRY GROUP REVIEW

OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES

Immediate to Short Term

- With ongoing fertiliser subsidies and replanting support programmes extended by the Government and the Sri Lanka Tea Board (SLTB), national tea production is expected to increase progressively, with targets of ~270 - 280 million kgs in the near term, and an industry ambition of reaching 300 million kgs over the medium term.
- Demand for Sri Lankan tea in key traditional markets, particularly Iraq, Libya, and the Middle East, is expected to remain resilient, whilst emerging demand from China presents a significant growth opportunity for the industry.
- Competitive pricing pressure from other major tea-producing nations, particularly Kenya and India, could cause some displacement of demand away from Sri Lankan teas in price sensitive market segments, underscoring the importance of maintaining Sri Lankan tea's quality and premium positioning.

Medium to Long Term

Global demand for Sri Lankan tea has historically been anchored in traditional markets, where the strength, aroma, and quality of orthodox teas command strong loyalty. Despite macroeconomic volatility and currency pressures in certain buyer markets, consumer preference for Sri Lankan tea remains resilient. Sri Lanka, however, faces intensified competition from other major producers including Kenya, India, and China, underscoring the need for continued focus on quality differentiation, market development, and value-added positioning. The industry's strategic focus on market diversification, including growing traction in China, South America, and other emerging economies, is therefore a critical medium term imperative.

The long term priorities for JK PLC include:

- Driving market share growth through the establishment of a dedicated business development function, proactive producer engagement, and the onboarding of new factory relationships.
- Strengthening client relationships and increasing volumes from existing markets through targeted customer engagement, tea evaluation services, and regular factory visits.
- Technology enabled initiatives, including the integration of AI-driven tea grading and valuation tools and the development of analytics dashboards, are expected to enhance auction decision-making capabilities and improve operational efficiency during the years ahead.
- Continuing to embed sustainability practices across operations, including community health initiatives, environmental conservation projects in collaboration with regional plantation companies, and the conversion of recycled materials into infrastructure improvements such as plastic asphalt for road rehabilitation.

TRUSTING THE NUMBERS

GOVERNANCE

295 Board and Management Profiles • **302** Corporate Governance Commentary
358 Stakeholder Engagement • **361** Determining Materiality

The Governance segment of the Annual Report outlines the various frameworks, procedures and processes in place to ensure that the value creation cycle of the Group continues unhindered.

GOVERNANCE

Board and Management Profiles – *Page 295*

Our Board of Directors and Management Team work together, blending diverse backgrounds and skills to propel the Group forward. Here, you'll find a brief profile of each Director, Group Executive Committee member and Group Operating Committee member.

Corporate Governance Commentary – *Page 302*

Dives into the Group's corporate governance framework which act as the cornerstone of all decision-making. The discussion comprises of:

- Executive Summary – *Page 302*
- The Corporate Governance System – *Page 305*
- Internal Governance System – *Page 306*
- Integrated Governance Systems and Procedures – *Page 327*
- Strategy Formulation and Decision-Making Processes – *Page 327*
- Human Resource Governance – *Page 329*
- Integrated Risk Management – *Page 331*
- Information Technology (IT) Governance – *Page 332*
- Tax Governance – *Page 334*
- Stakeholder Management and Effective Communication – *Page 335*
- Sustainability Governance – *Page 337*
- Assurance Mechanisms – *Page 342*
- Governance Outlook and Emerging Challenges – *Page 348*
- Compliance Summary – *Page 350*

Stakeholder Engagement – *Page 358*

Outlines the Group's methodology for engagement with its multiple stakeholders and the various channels and frequencies through which engagement occurs.

Determining Materiality – *Page 361*

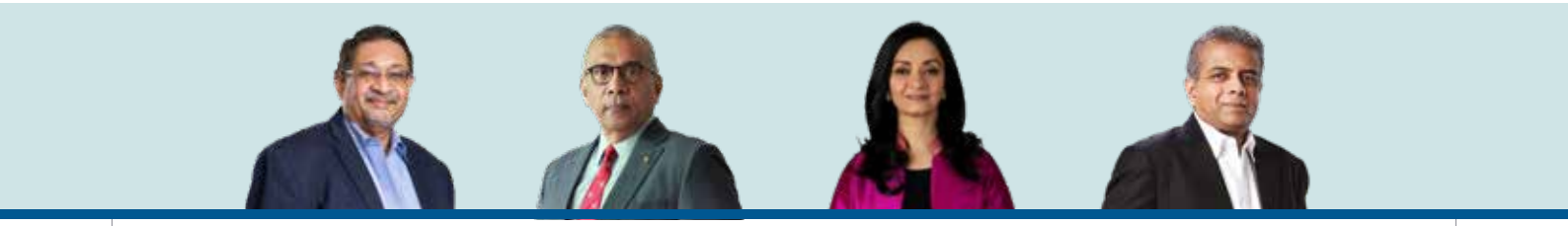
Outlines the structured approach followed by the Group to identify material topics in order to assess and mitigate potential disruptions, ultimately safeguarding the Group's long term stability and growth.

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS



KRISHAN BALENDRA | GIHAN COORAY | AMAL CABRAAL | DR. SHARMINI COOREY | SUREN FERNANDO



MANIL JAYESINGHE | MADHAVAN KARUNAKARAN MENON | RUCHIRA SHUKLA | DR. HANS WIJAYASURIYA

KRISHAN BALENDRA

Chairperson-CEO

P ED

Krishan Balendra is the Chairperson-CEO of John Keells Holdings PLC (JKH). He is also the Chairperson of the Ceylon Chamber of Commerce. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank PLC and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Deputy Chairperson/Group Finance Director

P ED

Gihan Cooray is the Deputy Chairperson/Group Finance Director of JKH and has overall responsibility of the Group's finance and accounting, taxation, corporate finance and strategy, treasury, information technology and corporate communications functions. He is the former Chair of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow Member of the Chartered Institute of Management Accountants, UK, a Certified Management Accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a committee member of the Ceylon Chamber of Commerce and a council member of the Sri Lanka Institute of Directors.

AMAL CABRAAL

Non-Independent Non-Executive Director

A H N R P

Amal Cabraal brings over four decades of leadership experience across local and international markets. He currently serves as Chair of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Sunshine Holdings PLC, Silvermill Investment Holdings (Private) Limited and the CIC Feeds Group of Companies. He is a member of the Colombo Port City Economic Commission and also serves on the committee of the Ceylon Chamber of Commerce and the management committee of the Mercantile Services Provident Society.

He previously held the position of Chair and Chief Executive Officer of Unilever Sri Lanka and completed the maximum nine-year tenure as a Non-Executive Director of Hatton National Bank PLC. A marketer by profession, he is a Fellow of the Chartered Institute of Marketing, UK. He holds an MBA from the University of Colombo and is an executive education alumnus of INSEAD, France.

DR. SHARMINI COOREY

Independent Non-Executive Director

N

Dr. Sharmini Coorey is a former Department Director of the International Monetary Fund (IMF) and a former member of the Presidential Advisory Group advising the Government of Sri Lanka on multilateral engagement and debt restructuring. Her 35-year experience at the IMF includes surveillance and programme work in a range of advanced, emerging market and developing countries in Africa, Asia, Europe and the Western Hemisphere, as well as Fund policy work.

Prior to her retirement in November 2021, Dr. Coorey served for almost nine years as the Director of the Institute for Capacity Development, the IMF's department for technical assistance. As its first Director - the most senior staff level position at the IMF - she was instrumental in establishing the department and providing strategic direction for the governance, management and funding of the IMF's technical assistance capacity building activities and overseeing the IMF's training of government officials in policy oriented macroeconomics.

Dr. Coorey also served on the Investment Committee of the IMF Staff Retirement Plan and on the Editorial Committee of IMF Staff Papers. She was a visiting researcher at George Washington University's Elliott School of International Affairs and is currently an international policy Fellow at Verité Research in Sri Lanka. Dr. Coorey holds PhD and bachelor's degrees in economics from Harvard University.

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS

SUREN FERNANDO

Senior Independent Non-Executive Director

A R H

Counting over 25 years with MAS, Suren Fernando is the Group Chief Executive Officer of MAS Holdings (Private) Limited and was previously the Chief Transformation Officer of the Company overseeing MAS' 2025 transformation. He was also the CEO of MAS Intimates, the largest division of MAS Holdings. Among many roles within the organisation, he also functioned in the capacity of Chief Operating Officer of MAS Intimates in 2014, heading operations and taking leadership in providing strategic management directives.

Suren holds a BSc in Engineering from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants, UK. He has received extensive overseas business exposure and training, including executive education at Wharton Business School, University of Pennsylvania, INSEAD Business School, Ashridge Business School, Henley School of Management, University of Waikato in New Zealand and Harvard Business School (Programme for Leadership Development). Suren also serves on the Board of World Vision Sri Lanka as the Vice Chair, a non-profit relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice.

MANIL JAYESINGHE

Independent Non-Executive Director

A R

Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants, UK, a Fellow Member of the Certified Management Accountants of Sri Lanka and a Member of the Chartered Institute of Public Finance and Accountancy.

He began his career at Ernst & Young, where he gained extensive experience across manufacturing, retail, hospitality, wholesale trade and telecommunications, serving as Partner for 30 years. He held several key leadership positions, including Country Managing Partner of Ernst & Young Sri Lanka and Maldives (2021–2023), Head of Assurance Practice in Sri Lanka and Professional Practice Director from 2003–2023.

Manil's expertise in business valuation and strategic planning for financial institutions made him a sought after advisor in the financial services industry. He also led the IFRS/SLFRS Desk in Sri Lanka. Over his 41 year career, he has served as President and Council Member of the Institute of Chartered Accountants of Sri Lanka; Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board; Council Member of Certified Management Accountants Sri Lanka; Member of the Chartered Institute of Management Accountants Sri Lanka Board; Council Member of the University of Moratuwa; Member of the Securities and Exchange Commission of Sri Lanka; Member of the Board of Investment of Sri Lanka; Member of the International Accounting Education Board of International Federation of Accountants; Member of the Audit Advisory Committee of the Central Bank; Advisor to audit committees of listed companies and banks; and Member of the National Chamber of Commerce of Sri Lanka.

He currently serves as a Member of the Statutory Accounting Standards Committee, the Statutory Auditing Standards Committee and other committees of the Institute of Chartered Accountants of Sri Lanka.

He is also a Member of the Financial Reporting Standards Implementation and Interpretation Committee (FRSIICS), Chair of the Accounting Standards Committee of the South Asian Federation of Accountants (SAFA), Member of the Audit Committee of SLIM, Governing Board Member of the Central Bank of Sri Lanka and an Independent Non-Executive Director of Ceylon Hospitals PLC, C W Mackie PLC, Lanka Milk Foods (CWE) PLC, Lanka IOC PLC, Vallibel One PLC, Royal Ceramics PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, Diesel & Motor Engineering PLC and Lanka Dairies Limited.

MADHAVAN KARUNAKARAN MENON

Independent Non-Executive Director

H

Madhavan Karunakaran Menon joined Thomas Cook India in 2000 as Executive Director responsible for the Foreign Exchange business and was appointed Managing Director in 2006, Chairperson and Managing Director in 2016 and Executive Chairperson in July 2023. He retired as Executive Chairperson in May 2025 after 25 years with the Thomas Cook Group and stepped down from the Board in September 2025.

He holds an MBA from George Washington University and an undergraduate degree from the American University of Beirut.

Mr. Menon began his career in banking and financial services at Grindlays Bank, Citibank and Emirates Bank, and later at Birla Sun Life Asset Management Company. During his tenure, Thomas Cook India undertook several major acquisitions, including Kuoni's Destination Management Specialists across 17 countries and Digiphoto Entertainment Imaging (DEI), a global leader in imaging solutions and services. He also facilitated the acquisition of the Thomas Cook brand in 2018.

RUCHIRA SHUKLA

Independent Non-Executive Director

N

Ruchira Shukla is the Founder and CEO of Green Marble, a venture capital fund focused on engineering-led innovation across energy, materials, manufacturing, agritech and healthtech.

Previously, she served as the South Asia Regional Lead for Disruptive Technology Investments at the International Finance Corporation (IFC), World Bank Group. In this role, she led IFC's investments in early-stage technology companies and venture capital funds, and represented IFC on the boards of several start ups and limited partner advisory committees. Her investments include Upgrad, Blackbuck, Tata1mg, MedGenome, KukuFM and other leading technology ventures.

As IFC's Global Lead for HealthTech, Ruchira oversaw investments and strategic interventions in the health technology ecosystem across emerging markets. She also led IFC's South Asia business in Technology, Media and Telecom, and has prior experience at the Boston Consulting Group and Lehman Brothers.

Ruchira has over 25 years of experience in venture capital and private equity investing, strategy consulting and investment banking across Asia, the United States and Europe. Her sector focus includes consumer internet, enterprise technologies, B2B e-commerce, healthtech, edtech and e-logistics, with particular interest in business models leveraging AI, IoT and blockchain.

She studied at IIT Delhi and IIM Ahmedabad, graduated as a Palmer Scholar from the Wharton School of the University of Pennsylvania, and is a Chartered Financial Analyst.

DR. HANS WIJAYASURIYA

Non-Independent Non-Executive Director

H N P

Dr. Hans Wijayasuriya serves as the Chief Advisor to the President of Sri Lanka on the digital economy, a role he assumed in January 2025 after stepping down as Chief Executive Officer – Telecommunications Business and Group Executive Director at Axiata Group, one of Asia's largest digital connectivity providers.

His career in the telecommunications industry spans 30 years, including over 25 years as a Chief Executive. He was honoured with the 'Chairman's Award' by the GSM Association in 2024 for outstanding contribution to the global mobile industry and served as a member of the GSMA Board from 2022–2024.

Prior to his regional leadership role, he led Axiata's telecommunications operations across Malaysia, Indonesia, Bangladesh, Sri Lanka and Cambodia. Until 2016, Dr. Wijayasuriya served as Group Chief Executive of Dialog Axiata PLC, Sri Lanka's leading multi-play connectivity provider and one of the highest-valued companies on the Colombo Stock Exchange.

He is a Past Chair of the Ceylon Chamber of Commerce and was named 'Sri Lankan of the Year' by LMD in 2008. Dr. Wijayasuriya graduated from the University of Cambridge and holds a PhD in Digital Mobile Communications from the University of Bristol. He is a Chartered Engineer and Fellow of the Institute of Engineering Technology, UK, and holds an MBA from the University of Warwick.

A Audit Committee
H Human Resources and Compensation Committee
N Nominations and Governance Committee
R Related Party Transactions Review Committee
P Project Risk Assessment Committee
ED Executive Director. Refer Group Directory for directorships held by Executive Directors in other Group companies

BOARD AND MANAGEMENT PROFILES

GROUP EXECUTIVE COMMITTEE



DAMINDA GAMLATH | ZAFIR HASHIM | NAYANA MAWILMADA | CHARITHA SUBASINGHE

DAMINDA GAMLATH

President

Daminda Gamlath is the President of the Consumer Foods industry group and has been with the Group since 2002. He was the Sector Financial Controller for the Information Technology sector and the Consumer Foods industry group before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining JKH, he worked at the Hayleys Group. Daminda holds a BSc in Engineering from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants, UK.

ZAFIR HASHIM

President

Zafir Hashim is the Head of the Transportation industry group and the Plantation Services sector and is also responsible for John Keells Information Technology sector. He has been with the Group for 23 years. He joined the Group in 2003 and was seconded to Lanka Marine Services, where he served as Chief Executive Officer from 2005 to 2015. He has also served as a member of the Transportation Sector Committee since 2005.

During his tenure with the Group, he has held the position of Chief Executive Officer at John Keells Logistics Lanka Limited, Mackinnons Mackenzie Shipping Co. Limited, Mack International Freight Limited and Mackinnons Travels Limited. He holds an MSc in Chemical Engineering from the University of Birmingham, UK.

He is a member of the Logistics and Transport Sector Committee of the Ceylon Chamber of Commerce and serves on the Executive Committees of the Sri Lanka - France Business Council and the Indo-Lanka Chamber of Commerce and Industry.

NAYANA MAWILMADA

President

Nayana Mawilmada is the President of the Property and Leisure industry groups at JKH. With extensive international experience in planning, facilitating, and managing large-scale urban development and infrastructure projects across 15 countries, and working within both the private and public domains, Nayana brings a unique perspective to Property and Leisure industry groups endeavours.

Among his previous roles, Nayana has served as the Director General of the Urban Development Authority of Sri Lanka, Managing Director of York Street Partners (Private) Limited, a boutique investment bank in Colombo and as an Urban Development Specialist for the Asian Development Bank based in Manila, Philippines. His academic training includes an MBA from Harvard Business School, a Master of City Planning from Massachusetts Institute of Technology (MIT), and a Bachelor of Architecture from Hampton University in the USA.

CHARITHA SUBASINGHE

President

Charitha Subasinghe is responsible for the Retail industry group at JKH. He has been with the Group since 2003. He was the Sector Financial Controller of the Supermarket business before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving over to JKH. He is an Associate Member of the Chartered Institute of Management Accountants, UK, as well as a Diploma Holder of the Chartered Institute of Marketing, UK. He also holds an MBA from the University of Colombo.

GROUP OPERATING COMMITTEE



SHERIN CADER | NELINDRA FERNANDO | ISURU GUNASEKERA | CHANGA GUNAWARDANE | SENATH JAYATILAKE | ASHA PERERA | INOKE PERERA



NISREEN REHMANJEE | YOLAN SEIMON | DR. RAMESH SHANMUGANATHAN | HISHAN SINGHAWANSA | ARAVINDA WANNIARACHCHI | RAVI WIJEWANTHA

SHERIN CADER

Executive Vice President

Sherin Cader is the Chief Financial Officer of the Financial Services industry group of JKH, whilst having overall responsibility of Sustainability, Enterprise Risk Management, Group initiatives and Group Business Process Review (GBPR) functions. She also serves as the Chairperson of Nations Trust Bank PLC.

Sherin has been with the Group since 1998, serving in many capacities across multiple sectors. She has played diverse roles across finance and operations in Financial Services, the IT-enabled services sector and JKH Centre functions. She functioned as the Financial Controller at JKH from 2009 till 2012. Subsequently, she took on the role of General Manager - Finance and Planning at Union Assurance PLC until her current role within the Financial Services industry group of JKH.

She is a Fellow Member of both the Chartered Institute of Management Accountants, UK, and the Association of Chartered Certified Accountants, UK, and is also a Chartered Global Management Accountant. She is also SAP certified in managerial and financial accounting.

NELINDRA FERNANDO

Executive Vice President

Nelindra Fernando is the Chief Financial Officer for the Consumer Foods industry group. Nelindra has been with JKH since 2013. Prior to joining the Group, she worked at the MAS Group for 12 years and Ernst & Young, Chartered Accountants, for four years.

Nelindra serves on the Board of Ceylon Cold Stores PLC as an Executive Director and at Keells Food Products PLC as a Non-Executive Director. She is a member of the Chartered Institute of Management Accountants, UK, and the Institute of Chartered Accountants of Sri Lanka.

ISURU GUNASEKERA

Executive Vice President

Isuru Gunasekera is the Chief People Officer of the Group, whilst also overseeing the Group Corporate Social Responsibility function. He joined the Group in 2001 into the New Business Development division and thereafter headed Group initiatives and new projects for the Transportation industry group.

He was the CEO of John Keells Logistics for 10 years and CEO of Mackinnons Travels for a short period. Prior to joining the Group, he was attached to J.P. Morgan Chase. He holds a bachelor's degree in Business Administration from Loyola Marymount University, USA.

CHANGA GUNAWARDANE

Executive Vice President

Changa Gunawardane oversees the financial health of the Leisure industry group as the Chief Financial Officer and has been with JKH for over 20 years. Changa currently serves as a Non-Executive Director on the Boards of Asian Hotels & Properties PLC, Trans Asia Hotels PLC and also in many of the unlisted companies of JKH.

Changa brings extensive financial leadership experience from his current role and his previous role within JKH as the Chief Financial Officer for the Information Technology sector as well as the Sector Financial Controller for the Airlines and Logistics business unit, within the Transportation industry group. He also has over 31 years of financial experience across diverse industries spanning Pharmaceutical, Manufacturing, Management Services, Electrical Engineering and Construction.

A Fellow Member of the Chartered Institute of Management Accountants in the UK, he holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.

BOARD AND MANAGEMENT PROFILES

GROUP OPERATING COMMITTEE

SENATH JAYATILAKE
Executive Vice President

Senath Jayatilake is the Chief Executive Officer and Executive Director of Union Assurance PLC (UA) and oversees John Keells Stock Brokers (Private) Limited in his capacity as a Director of the company.

Prior to joining UA, he held the position of Chief Executive Officer at John Keells Logistics (Private) Limited. Senath began his career with JKH and has been with the Group since 2007. He brings over two decades of experience across key business verticals, contributing significantly to business transformation and organisational performance throughout his career.

Senath holds a BA (Hons) in Finance, Accounting and Management from the University of Nottingham, UK, and an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

ASHA PERERA
Executive Vice President

Asha Perera is the Chief Financial Officer of the Transportation industry group at JKH. She previously held the position of Chief Financial Officer at Union Assurance PLC (UA). Prior to joining UA, she held multisectoral positions in Retail, Leisure, Information Technology and Plantation Services.

Before joining JKH in 2005, she held multiple operational and finance responsibilities in the apparel industry. Asha holds an MBA from the Postgraduate Institute of Management, a BSc in Management (Human Resource Management) from the University of Sri Jayewardenepura and is an Associate Member of the Chartered Institute of Management Accountants, UK.

INOKE PERERA
Executive Vice President

Inoke Perera is the Sector Head of the Property industry group at JKH. He previously held the position of Chief Operating Officer for the Property industry group.

Inoke joined JKH in September 2003 and was appointed Head of Commercial Operations of the Property industry group in July 2006 and Head of Operations of the same industry group in July 2012.

He started his career in accounting, holding positions in financial accounting, system implementation, management accounting, business analysis and finance. He later transitioned to project management, commercial and operations. He has over 25 years' experience in venture capital, consultancy, property management and the property development industry.

He is an Associate Member of the Chartered Institute of Management Accountants, UK and holds an MBA from Postgraduate Institute of Management, University of Sri Jayewardenepura. He is an executive committee member of the Condominium Developers Association of Sri Lanka (CDASL).

NISREEN REHMANJEE
Executive Vice President

Nisreen Rehmanjee is the Head of Corporate Structuring, Strategic Tax, and Social Entrepreneurship project of JKH. Starting her career as an accounts trainee with KPMG in 1995, she rose to the position of Director Tax in 2001. She then joined JKH as Head of Tax Strategy in 2005. Her overseas experience includes a stint with the Global Tax Solutions team in London during her tenure with KPMG and a 3-year secondment to India with the John Keells IT/ITES cluster as Head of Corporate Functions. She was instrumental in conceptualising and launching the Plasticcycle initiative of the JKH, which is focused towards reducing plastic pollution across Sri Lanka.

Nisreen is a Fellow Member of the Association of Chartered Certified Accountants (ACCA), UK and the Institute of Certified Management Accountants. Additionally, she is a member of the Tax-Sub Committee of the Ceylon Chamber of Commerce and a past President of ACCA Sri Lanka.

YOLAN SEIMON
Executive Vice President

Yolan Seimon is the Head of Advanced Analytics of JKH. He started his career in 2004 at the Research Division of John Keells Stock Brokers (Private) Limited and served as Head of Research before being placed at JKH where he served as Head of John Keells Capital and subsequently as Head of the Corporate Finance and Strategy function of the Group.

He has led OCTAVE, the data and advanced analytics division of the Group, since its inception in 2019. He is an Associate Member of the Chartered Institute of Management Accountants, UK.

DR. RAMESH SHANMUGANATHAN
Executive Vice President

Dr. Ramesh Shanmuganathan is the Group's Chief Information Officer, a member of the Group Management Committee for the Information Technology sector, and Chief Executive of John Keells IT. Ramesh is also an Executive Director at John Keells IT and Infomate, as well as John Keells Lanka BPO Services, in addition to being a Non-Executive Director at Nations Trust Bank PLC.

He has over 25 years of experience in the Information and Communication Technology industry in Sri Lanka and the USA, with over 20 years in C-level management. He is a Hayes Fulbright Scholar and holds a Doctor of Philosophy (Technology Management) from Keisei International University, Seoul, South Korea; a Master of Science (Information Technology and Computer Science) with Phi Kappa Phi Honours from Rochester Institute of Technology, New York, USA; a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura; and a Bachelor of Science in Electronics and Telecommunications Engineering with First Class Honours from the University of Moratuwa.

He is currently reading for his Doctor of Business Administration (DBA) at the International School of Management, Paris. He is a Chartered Engineer, Chartered IT Professional and a Fellow of the British Computer Society and the Institute of Engineers, UK. He has active memberships in several other professional institutions and is a visiting faculty member for several postgraduate programmes. He is an advocate of digital transformation and open innovation and speaks at many international events and forums.

HISHAN SINGHAWANSA

Executive Vice President

Hishan Singhawansa is the Chief Executive Officer of Cinnamon Hotels & Resorts, overseeing its entire portfolio in Sri Lanka and the Maldives, including the iconic City of Dreams Sri Lanka. He is a Board Member of John Keells Hotels PLC, Asian Hotels & Properties PLC and Trans Asia Hotels PLC.

He joined the Group in 2008 as a JKH Management Trainee and subsequently moved to the Retail industry group, where he held roles in category management and later served as Head of Supply Chain. In 2017, he transitioned to the Leisure industry group and currently leads Cinnamon Hotels & Resorts.

He is also on the Board of Directors of the Sri Lanka Convention Bureau and is a committee member of the Hotels Association of Sri Lanka (THASL). He holds a BSc in Engineering (Hons) from the University of Moratuwa and an MBA from the University of Wales.

ARAVINDA WANNIARACHCHI

Executive Vice President

Aravinda Wanniarachchi is the Chief Financial Officer of the Retail industry group at JKH. He joined JKH in 2007 and was attached to the Corporate Finance and Strategy team prior to joining the Retail industry group.

He was appointed Sector Financial Controller of Retail in 2014 and Chief Financial Officer of Retail in 2018. He is a Chartered Financial Analyst, an Associate Member of the Chartered Institute of Management Accountants, UK, and holds a BBA in Marketing (Sp.) from the University of Colombo.

RAVI WIJEWANTHA

Executive Vice President

Ravi Wijewantha joined JKH in September 2003 and was appointed Sector Financial Controller of the Property industry group in July 2006 and Chief Financial Officer of the same industry group in July 2017.

He has over 25 years of experience in auditing and accounting. He is an Associate Member of the Chartered Institute of Management Accountants, UK, and holds an MBA from ICFAI University, Dehradun, India. He also holds Bachelor of Laws (LLB) and Master of Law (LLM) from Buckinghamshire New University.

CORPORATE GOVERNANCE COMMENTARY

The Group's corporate governance framework is designed to support sustainable long term value creation through effective leadership, accountability and transparent decision-making, while ensuring compliance with applicable laws, regulations and recognised standards of governance.

1 EXECUTIVE SUMMARY

The Group's corporate governance framework provides a structured and disciplined environment within which the Group's strategy is established, performance is monitored and risks are managed, taking into account the interests of a wide range of stakeholders with evolving expectations and a complex operating environment and macroeconomic conditions.

The Group's corporate governance philosophy is institutionalised across all its business units and supported by clearly defined Board and management oversight mechanisms and a suite of policies, processes and an organisational structure that is reviewed and updated to be aligned with evolving regulations, global best practice, and dynamic stakeholder needs. These mechanisms are intended to sustain a consistent governance baseline across business units while remaining grounded in the core principles of accountability, integrity, transparency and participation. Compliance triggers ensure adherence to mandatory regulatory requirements and ensure continuous monitoring and feedback.

As governance processes and controls are well established across the Group, the Board's focus during 2025/26 was on enhancing the clarity, quality and usefulness of governance disclosures, with particular emphasis on areas where governance expectations have increased - sustainability-related disclosures, enterprise financial reporting and data systems, cyber resilience and data protection, while continuing to reinforce a strong compliance culture and ethical conduct.

Compliance with statutory and regulatory requirements is summarised within the narrative and presented in detail in the accompanying compliance tables.

Compliance Summary

Mandatory Regulatory Frameworks – fully compliant

- The Companies Act No. 7 of 2007, as amended, including applicable regulations
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
- Listing Rules of the Colombo Stock Exchange (CSE), including circulars
- Code of Best Practices on Related Party Transactions (2013) issued by the SEC
- SLFRS S1 and S2 – Sustainability Disclosure Standards

Voluntary Frameworks and Standards

- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – complied with to the extent of business exigency and as required by the Group
- Transparency International Sri Lanka assessment criteria on transparency in corporate reporting

Reporting Frameworks

- International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB) disclosures

Internal Mechanisms

- Articles of Association
- Board Charter and Board Committee Charters
- Code of Conduct
- Board and internal Policies

This Corporate Governance Report outlines the key elements of the Group's governance framework, including:

- the principal components of the Group's corporate governance system;
- the mechanisms used to monitor compliance with policies, laws and regulatory requirements;
- the outlook and emerging governance challenges; and
- the Group's compliance with mandatory requirements and its adoption of selected voluntary codes and reporting standards.

1.1 Corporate Governance Highlights for 2025/26

- Pursuant to the adoption of SLFRS S1 and S2 sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka, the Group undertook a structured implementation programme during the year under review to prepare for compliance with the CSE reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international external consulting firm to conduct a comprehensive Group-wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements. A series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, amounting to over 25 such sessions across the Group, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes.

  Refer Section 4.7

- To strengthen governance and strategic oversight, the Group established the Environmental, Social and Governance (ESG) and Sustainability Steering Committee, which is responsible for overseeing sustainability-related impacts, risks, and opportunities, including sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the Group Executive Committee (GEC) for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and S2 as the Group progresses towards full implementation.

  Refer Section 4.7

» Enhanced the Group's enterprise governance and control framework through the phased implementation of SAP RISE, migrating to a standardised, cloud-based core system that improves data integrity, real-time performance visibility, process standardisation, auditability, and internal control effectiveness across operations, supported by enhanced process intelligence through SAP Signavio. The migration was concluded on 9 March 2026 with minimal disruptions and down time of the system, which has now been fully stabilised. All year-end financial closing requirements were completed on the new system with no significant issues encountered.

  - The Group conducted a high-level review of the authorisation matrix to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.

    Refer Section 4.4 and 5.6.2

» Further strengthened cyber and technology governance through the expanded adoption of the Zero-Trust Security Model, including enhanced identity-based access controls, strengthened network security, and migration to a Secure Service Edge architecture, improving threat detection, monitoring, policy enforcement, and overall cyber resilience across the Group.

Refer Section 4.4

» The Group continued to align its data governance practices with the Personal Data Protection Act, No. 9 of 2022 (PDPA), in line with its internal data protection principles and globally recognised best practices. Dedicated Data Protection Officers oversee compliance, supported by the Data Governance Steering Committee, while ongoing enhancements to technical, security, and organisational controls are implemented to ensure continued compliance with statutory requirements. There were no significant data security related incidents reported during the year and a majority of the gaps across the businesses have been rectified.

Refer Section 5.6.2

» The Group continued to strengthen its compliance framework in relation to financial misconduct, aligning with the Financial Intelligence Unit of Sri Lanka to enhance monitoring, coordination and implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising their broader national significance. Given the nature and business model of most of the significant industry groups, there is no significant exposure to the Group although there is continuous engagement with the relevant authorities. During the year, there were no issues raised by the authorities and no sanctions or penalties levied. The secretarial arm of the Group implemented all recommendations based on engagement with the authorities relevant to company service providers.

Refer Section 6.4

» The Group partnered with a multinational analytics and advisory company to conduct its periodic employee engagement survey, adopting a more performance and productivity-focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the Group, comprising of the GEC, Group Operating Committee (GOC) and heads of HR participated in a workshop to develop the team's ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.

Refer Section 4.2.1

» During the year under review, the Group concluded phase 1 of a structured initiative to develop and institutionalise a Group-wide Employee Value Proposition (EVP), undertaken with the support of a globally recognised consulting firm. The process encompassed employee surveys, focus group discussions, and consultations with Group leadership, culminating in the articulation of a defined EVP statement and its supporting pillars. Phase 2, planned for 2026/27, will focus on activating and embedding the EVP across the organisation.

Refer Section 4.2.1

» During the year under review, John Keells CG Auto (Private) Limited (JKCG), the Group's New Energy Vehicle (NEV) business, faced challenges in clearing certain BYD electric vehicle models with Sri Lanka Customs due to an interpretation issue relating to motor power specifications. The matter was actively engaged with the authorities through the submission of manufacturer specifications and compliance documentation, and all vehicles detained have since been released, except for a limited number retained for independent testing purposes. JKCG has fully cooperated with the authorities and continues to advocate testing at an internationally accredited motor laboratory to facilitate a permanent resolution. While EV sales were temporarily affected, the Group strengthened its focus on BYD's hybrid vehicle range and on EV models which are now permitted to be cleared, which has experienced strong customer interest and supported overall sales momentum.

Refer Retail Industry Group Review

» During the year, the Group launched Vauxhall DSTRCT, a large-scale residential development project in central Colombo. Given the scale and complexity of the project, and in line with the Group's governance framework, the project's risk assessment and feasibility were reviewed by the Project Risk Assessment Committee, providing an additional layer of independent risk oversight prior to Board approval.

Refer Section 3.2.5

1.2 Key Colombo Stock Exchange Announcements in 2025/26

» In September 2025, Union Assurance PLC (UA), a subsidiary of John Keells Holdings PLC divested its 22% equity stake comprising 30,800,000 ordinary shares in Fairfirst Insurance Limited, a subsidiary of Fairfax Financial Holdings Limited, for a total consideration amounting to Rs.2.64 billion.

» In September 2025, Nations Trust Bank PLC (NTB), an equity accounted investee of John Keells Holdings PLC, entered into a binding Sale and Purchase agreement with Hongkong and Shanghai Banking Corporation, acting through its Sri Lankan Branch (HSBC Sri Lanka), to acquire its Retail Banking franchise for a consideration of Rs.18.00 billion plus applicable taxes. While CBSL granted approval for the transaction in November 2025, the acquisition was successfully completed on 1 May 2026 and NTB commenced live operations of the acquired business on 2 May 2026.

CORPORATE GOVERNANCE COMMENTARY

- The Board declared a final dividend of Rs.0.05 per share in May 2025 for the financial year 2024/25. Given the performance momentum of the businesses, the Board approved a first and second interim dividend of Rs.0.10 per share each, in November 2025 and February 2026. A final dividend of Rs.0.10 per share was declared in May 2026 for the financial year 2025/26. Accordingly, the dividend declared for 2025/26 is Rs.0.30 per share [2024/25: Rs.0.15 per share]. The outlay for the dividend is Rs.4.42 billion, which is an increase compared to Rs.2.59 billion in the previous year.
- In March 2026, John Keells Hotels PLC, a subsidiary of the Group, divested its equity stake of 98.39% in Kandy Walk Inn Limited, the owning company of Cinnamon Citadel Kandy, to Dedigama Group (Private) Limited, a member of the Dedigama Group, for a total consideration of Rs.2.78 billion.

1.3 Board and Board Committee Changes in 2025/26

- Mr. M. Menon was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2025.
- Dr. H. Wijayasuriya was redesignated as a Non-Independent, Non-Executive Director with effect from 4 October 2025, following the completion of nine years on the Board, in accordance with Section 9.8.3 (v) of the Listing Rules which stipulates that Directors serving more than nine years on the Board cease to qualify as independent.
- Mr. S. Fernando was appointed as the Senior Independent Director with effect from 4 October 2025.
- Mr. M. Menon was appointed to the Human Resources and Compensation Committee (HRCC) with effect from 4 October 2025.
- Ms. R. Shukla was appointed to the Nominations and Governance Committee (NGC) with effect from 4 October 2025.

1.4 Highlights of the 46th Annual General Meeting Held on 27 June 2025

- Mr. G. Cooray, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as an Executive Director of JKH.
- Mr. S. Fernando, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- Mr. M. Jayesinghe, who retired in terms of Article 91 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- Ms. R. Shukla, who retired in terms of Article 91 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- Mr. M. Menon, having attained the age of seventy (70) years, was appointed as an Independent Non-Executive Director in terms of Section 211 of the Companies Act No. 7 of 2007 and Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.
- Ernst & Young (EY) was re-appointed as the External Auditors of the Company and the Directors were authorised to determine the remuneration of EY.

The 47th Annual General Meeting of the Company will be held on 26 June 2026.

1.5 Extraordinary General Meeting

- An Extraordinary General Meeting took place on 27 June 2025, during which a special resolution was passed to approve the Employee Share Option Plan 12, in line with the Company's practice of issuing employee share option plans approximately every three years.

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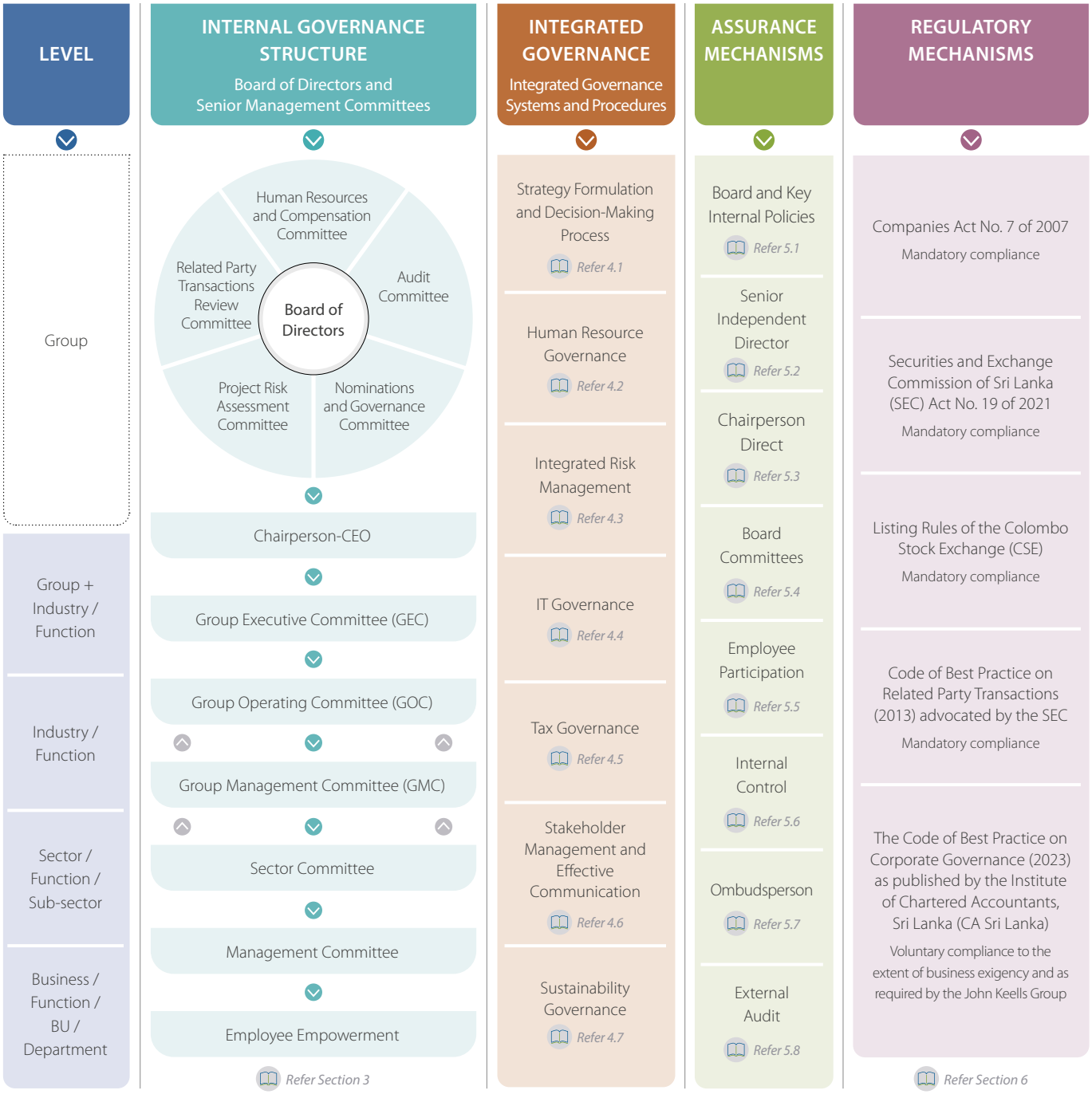
2 THE CORPORATE GOVERNANCE SYSTEM



Only the key components are depicted in the above diagram.

- All four Board Committees mandated under the Listing Rules are chaired by Independent Non-Executive Directors and the Project Risk Assessment Committee is chaired by a Non-Executive Director.
- The Chairperson-CEO is present at all Human Resources and Compensation Committee meetings unless the Chairperson-CEO's performance assessment or remuneration is under discussion. The Deputy Chairperson/Group Finance Director is invited, as necessary.
- Audit Committee meetings are attended by the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Head of Group Business Process Review, as the Committee Secretary. External Auditors and the Group Financial Controller are regular attendees.
- The GOC acts as the binding agent to the various businesses within the Group towards identifying and extracting Group synergies.

3 INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises of Board Committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods.

The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision-making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.

Board of Directors Refer 3.1

Purpose: Assess the overall direction and implement strategy of the business; fiduciary duty towards protecting stakeholder interests; monitor the performance of the senior management; ensure effectiveness of governance practices; implement a framework for risk assessment and management, including internal controls etc.

Audit Committee

Purpose:
Compliance with policies and procedures, assess the qualifications, independence, remuneration, and performance of external auditors, review the Group's financial statements, and evaluate the effectiveness of risk management systems and internal controls as recommended by internal auditors.

Refer 3.2.1

Human Resources and Compensation Committee

Purpose:
To assist the Board in the establishment of remuneration policies and practices that are fair, appropriate and competitive.

To review and recommend appropriate remuneration packages for the CEO, other Executive Directors and Key Management Personnel and review the performance of the Company's top talent/ monitor succession planning and periodically review Group's Performance Management System (PMS).

Refer 3.2.2

Nominations and Governance Committee

Purpose:
Oversight of the process of appointment, re-election and re-appointment of Directors of the Company and listed subsidiaries in accordance with the Group's framework, ensure a comprehensive Board induction process is in place, to ensure that an acceptable methodology is in place for a self-evaluation of the Board, to review and recommend an overall corporate governance framework, periodically ·in consultation with the Chairperson-CEO, review the CEO succession planning, in liaison with all Independent Directors.

Refer 3.2.3

Related Party Transactions Review Committee

Purpose:
To ensure that all related party transactions of the Group are consistent with the Code on Related Party Transactions issued by the SEC and the Listing Rules of the CSE.

Alignment with Group policies and procedures, ensure shareholder interests are protected, ensure that fairness, integrity and transparency are maintained.

Refer 3.2.4

Project Risk Assessment Committee

Purpose:
To evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long term.

Refer 3.2.5

Leadership and Control

Accountability through Reporting Obligations

Chairperson-CEO Refer 3.3

Purpose as Chairperson:

- To provide leadership to the Board whilst inculcating good governance and ensuring effectiveness of the Board.
- Ensure constructive working relations are maintained between the Executive and Non-Executive (including Independent) members of the Board.
- Ensure, with the assistance of the Board Secretary, that:
  - Board procedures are followed.
  - Information is disseminated in a timely manner to the Board.

Purpose as CEO:

- Execute strategies and policies of the Board.
- Ensure the efficient management of all businesses.
- Ensure the operating model of the Group is aligned with short and long term strategies of the Group.
- Ensure succession planning at very senior levels is planned.

Reporting Obligations

Operations Management Performance Feedback

Delegated Authority

Senior Management Committees Refer 3.5

Purpose: Led by the Chairperson-CEO, these committees execute strategies and policies determined by the Board, manage through delegation and empowerment the business and affairs of the Group, make portfolio decisions and prioritises the allocation of the capital, technical and human resources, thereby ensuring that value is created/enhanced for all stakeholders throughout the value chain.

Employee Empowerment Refer 3.6

Purpose: Effective recruitment, development and retention of this vital stakeholder, by equipping employees with the necessary skill set and competencies, to enable them to execute management decisions.

3.1 The Board of Directors

The Board of John Keells Holdings PLC (JKH), in its capacity as the Board of the parent Company of the John Keells Group, is entrusted with the overall stewardship of JKH and the Group.

The Board provides strategic direction and oversight, including the establishment of the Group's purpose and values, and ensures that the Group's culture and conduct are aligned with its strategic objectives, in compliance with the Company's Articles of Association, applicable legal and regulatory requirements, and the Group's operating model. This Group-level authority and oversight are complementary to, and do not derogate from, the statutory and fiduciary responsibilities of the Boards of subsidiary companies, including listed subsidiaries, which exercise authority within their respective company domains in accordance with their own Articles of Association, Board Charters, and Committee Terms of Reference, as applicable, with governance instruments aligned at Group-level to promote consistency, accountability, and effective coordination across the Group.

All decisions of the Board are made collectively and in a manner that upholds the principles of accountability, transparency, and good governance. Appropriate checks and balances are in place, as discussed in detail within this Commentary, to prevent the concentration of power in a single individual and to promote effective decision-making.

3.1.1 Board Oversight and Delegation of Authority

While the Board is accountable and responsible for the strategic direction and management of the Group, it delegates the authority to the Chairperson-CEO and senior management to carry out day-to-day operations of the businesses. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the broad policies and established governance principles. The Board reserves the right to withdraw or change any delegation of authority as deemed appropriate.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination.

Typical areas of oversight include the Group's structure, capital management and company securities, strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, internal controls, risk management, environmental, social and governance (ESG) matters, information technology and security, governance and compliance, workplace ethics and sustainability matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well-informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

3.1.2 Board Responsibilities and Duties

The Board's principal role is to oversee the management and governance of the Group, ensuring that it operates in the best interests of its shareholders and stakeholders. The Board Charter sets out the overall governance framework and the roles and responsibilities of the JKH Board. It is designed to ensure clarity and consistency in the Board functions and promotes effective oversight and accountability in the Group's operations.

While the Board assumes these responsibilities on behalf of the shareholders, the Directors recognise that other stakeholders including employees, customers, business partners, regulators and, ultimately, the general public will benefit from effective performance and enhanced governance processes.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium, and long term strategies which are aimed at promoting the long term success of the Group.
- Reviewing and approving annual plans and long term business plans.
- Tracking actual progress against plans.
- Overseeing and guiding the Group's sustainability-related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relation to sustainability impacts, and maintaining the systems and capabilities needed for timely, decision-useful sustainability information.
- Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability-related risks and opportunities, including climate-related risks and opportunities, and ensuring that such strategies are integrated into the Group's overall strategy, risk management framework and capital allocation decisions*.
- Reviewing HR processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.
- Ensuring operations are carried within the scope of the Enterprise Risk Management (ERM) framework.
- Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.
- Appointing and reviewing the performance of the Chairperson-CEO.
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.

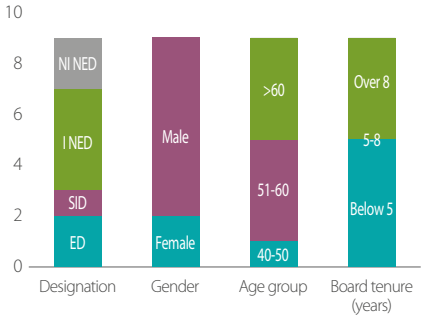
Refer 4.7 - Sustainability Governance section for a detailed discussion – page 337.

- Approving any amendments to constitutional documents.
- Approving the issue of JKH equity/debt/ hybrid securities.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

3.1.3 Board Composition

The Group policy is to maintain a healthy balance between Executive, Non-Executive and Independent Directors, in keeping with the applicable rules and codes, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair-mindedness.

Composition of the JKH Board



NI NED – Non-Independent Non-Executive Director
I NED – Independent Non-Executive Director
SID – Senior Independent Director
ED – Executive Director

In terms of composition, the Board shall comprise of not less than three and not more than twelve Directors, unless otherwise permitted by the Articles of Association. The optimal number of Directors ranges from five to ten Directors, in compliance with applicable law, to facilitate effective group dynamics, foster individual responsibility, ensure adequate expertise and support decision-making.

The Board includes at least two Independent Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be compliant with the applicable laws.

The key changes to the Board composition during the year under review are as follows:

- Mr. M. Menon was appointed to the Board with effect from 1 July 2025 as an Independent Non-Executive Director.
- Dr. H. Wijayasuriya was redesignated as a Non-Independent Non-Executive Director of the Company, with effect from 4 October 2025, following his completion of nine years on the Board, in accordance with Section 9.8.3 (v) of the Listing Rules, which stipulates that Directors serving more than nine years on the Board cease to qualify as independent. It is the view of the Board that the retention of Non-Executive Directors such as Dr. Wijayasuriya and Mr. A Cabraal has supplemented the deliberations of the Board by providing more institutional knowledge, particularly with long-gestation projects such as City of Dreams Sri Lanka and the Colombo West International Terminal coming into fruition and ramping up to full scale operations.
- Mr. S. Fernando, Independent Non-Executive Director, was appointed as the Senior Independent Director of the Company, with effect from 4 October 2025, consequent to Dr. H. Wijayasuriya's redesignation as a Non-Independent Non-Executive Director of the Company.

As at 26 May 2026, the Board comprised of nine Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and two Directors being Non-Independent Non-Executive Directors (due to their service on the Board exceeding nine years).

Name of Director	Executive/ Non-Executive Director	Independent/Non-Independent Director	Year of Appointment	Age (as at 31 March 2026)	Board Meeting Attendance (Eligible to Attend/ Attended)	Board Sub-Committee Membership (as at 31 March 2026)					Tenure on the Board (Years as at May 2026)
						AC	HRCC	NGC	RPTRC	PRAC	
A. Cabraal	NED	NID	2013/14	69	6/6	●	●	●	●	●	12
S. Coorey	NED	ID	2022/23	67	6/6			▲			3
S. Fernando*	NED	ID	2023/24	52	6/5	●	▲		●		2
M. Jayesinghe	NED	ID	2024/25	63	6/6	▲			▲		1
M. Menon**	NED	ID	2025/26	71	5/5		●				11 months
R. Shukla	NED	ID	2024/25	53	6/4			●			1
H. Wijayasuriya ***	NED	NID	2016/17	58	6/6		●	●		▲	9
K. Balendra	ED	NID	2016/17	53	6/6					●	9
G. Cooray	ED	NID	2016/17	49	6/6					●	9

● *Member* ▲ *Chair*

**Senior Independent Director with effect from 4 October 2025*

*** Appointed to the Board with effect from 1 July 2025*

**** Senior Independent Director until redesignation as a Non-Independent Non-Executive Director with effect from 4 October 2025*

AC - Audit Committee
HRCC - Human Resources and Compensation Committee
NGC - Nominations and Governance Committee
RPTRC - Related Party Transactions Review Committee
PRAC - Project Risk Assessment Committee

3.1.4 Board Skills

The Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of relevant skills and expertise aligned with the current and future needs of the Group.

The Board regularly assess its collective skills and experience to align with the Group's strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law.

Collectively, the Board brings in a multi-dimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

In addition, the Board possesses collective knowledge and competence to oversee sustainability-related matters and to ensure that environmental, social and governance considerations are integrated into the Group's strategy, risk management and reporting processes.

Following the implementation of SLFRS S1 and S2, the Group Deputy Chairperson/Group Finance Director has been actively and closely engaged in strengthening the Group's sustainability governance architecture, including the development and enhancement of underlying frameworks, policies, and processes. This included close engagement with external consultants, which also served as a capacity-building exercise, with key insights subsequently shared with the Board.

Refer Board and Management Profiles section for further details of their qualifications and experience – page 295.

3.1.5 Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision-making, the Board is encouraged to seek independent professional advice, where applicable and relevant, in furtherance of their duties, at the Group's expense. This is coordinated through the Board Secretary, as and when requested.

3.1.6 Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee. The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the CSE and media at the time of their appointment through a public announcement, covering the following:

- A brief résumé of the Director.
- The nature of their expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board committees.
- Whether such Director can be considered independent.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases and Investor Relations publications.

The Group has implemented requisite measures to ensure that the Directors and the CEO consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. In addition, the independence of Independent Non-Executive Directors is assessed in accordance with the applicable independence criteria set out in Section 9.8.3 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper and independence criteria outlined in the Listing Rules prior to presenting any nominations for appointment to the Board and at shareholder meeting, as relevant. Additionally, annual declarations are obtained from the Directors and the CEO confirming that each individual has met, throughout the relevant financial year, the fit and proper criteria and, where applicable, independence criteria set out in the Listing Rules, continues to meet such criteria as at the date of the declaration, and that any non-compliances have been disclosed.

Refer Nominations and Governance Committee section of this Report for the Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report – page 319.

3.1.7 Board Induction and Training

When Directors are newly appointed to the Board, they undergo a comprehensive induction where they are apprised, inter-alia, of the Group's values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes provision on anti-corruption and anti-bribery) and the operational, environmental and social strategies of the Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key third-party service providers such as External Auditors and consultants, as required.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson, Senior Independent Director (SID), and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board and the Nominations and Governance Committee is informed of significant developments in applicable laws, rules, regulations and corporate governance practices and their potential impact on the Group and ensures that the senior management reports on the Group's compliance with applicable legal and regulatory requirements.

3.1.8 Re-Election

All Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting, and are eligible for re-appointment, subject to the recommendation of the Nominations and Governance Committee and approval of the Board. All Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee and such recommendation will be based on the Directors meeting fit and proper criteria and, where relevant, independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the Company and time commitments, diversity, etc., which are considered.

In terms of the Articles of Association, one third of all the Executive and Non-Executive Directors retire by rotation, except for the Chairperson-CEO, and are eligible for re-election at the Annual General Meeting by the shareholders.

Annually, the Board discusses the possible impairment to Director independence and collectively evaluates the independence of such Board members.

3.1.9 Board Meetings

3.1.9.1 Regularity of Meetings and Pre-Board Meetings

The quarterly Board meetings are scheduled well in advance to ensure full attendance. Directors joining the Board and the Board Committees meetings through audio visual means are accounted for attendance. All pre-scheduled Board meetings are generally preceded by a Pre-Board Meeting, which is usually held on the day prior to the formal Board meeting. In addition to these Pre-Board meetings, the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board and Pre-Board meetings, unless excused or absent, in which circumstance either the Deputy Chairperson or Senior Independent Director shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Board Secretary in the Board minutes, and such minutes are put forward for approval of the Board at the next Board meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Board Secretary.

During the financial year under review, there were six Board meetings. The attendance at the Board meetings held during the financial year 2025/26 is given below:

Name	Year of Appointment to the Board	27/05/2025	30/07/2025	04/11/2025	10/11/2025	28/01/2026	12/03/2026	Eligibility	Attended
A. Cabraal	2013/14	✓	✓	✓	✓	✓	✓	6	6
S. Coorey	2022/23	✓	✓	✓	✓	✓	✓	6	6
S. Fernando	2023/24	✓	✓	✓	✓	✓	×	6	5
M. Jayesinghe	2024/25	✓	✓	✓	✓	✓	✓	6	6
M. Menon*	2025/26	N/A	✓	✓	✓	✓	✓	5	5
R. Shukla	2024/25	✓	✓	✓	×	×	✓	6	4
H. Wijayasuriya	2016/17	✓	✓	✓	✓	✓	✓	6	6
K. Balendra	2016/17	✓	✓	✓	✓	✓	✓	6	6
G. Cooray	2016/17	✓	✓	✓	✓	✓	✓	6	6

**Appointed with effect from 1 July 2025.*

3.1.9.2 Timely Supply of Information

The Directors were provided with the necessary information, including but not limited to financial, non-financial, enterprise risks and opportunities, sustainability impacts and the process of determining sustainability-related and climate-related risks and opportunities well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to, and independent contact with, the corporate and senior management of the Group.

3.1.9.3 Board Agenda

The agenda for meetings is determined by the Chairperson, where relevant, consulting the Deputy Chairperson, the Senior Independent Director and Board Secretary, with information relevant to such meetings disseminated to the Board in a timely manner. During the period under review, the Chairperson-CEO ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary.

The typical Board agenda in 2025/26 entailed, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of major projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure and ratification of the use of Common Seal, among others.

Added emphasis was also placed on the operationalisation of the Group's landmark investments, at the City of Dreams Sri Lanka as well as the West Container Terminal at the Port of Colombo.

3.1.10 Board Secretary

Upon the retirement of the Board Secretary, who also served as the President Legal, Secretarial and CSR of the Group, on 31 December 2025, the Head of Governance and Compliance, and Vice President of JKH, who is an Attorney-at-Law by profession and a registered company secretarial practitioner, assumed the role of the Board Secretary with effect from 1 January 2026.

The key responsibilities of the Board Secretary:

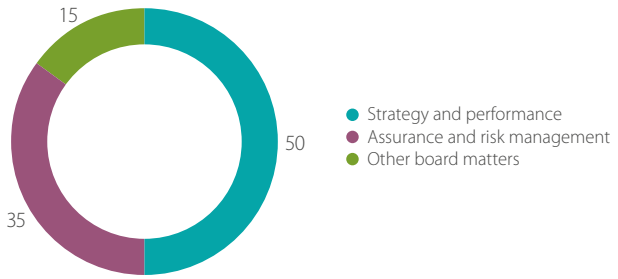
- Assist the Board with compliance related matters pertaining to the Articles of Association, Applicable Law and corporate governance practices adopted by the Group.
- Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- Attend Board meetings and record minutes and ensure that all decisions are accurately documented.
- Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices.
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communications between the Board and the management of the Group.

3.1.11 Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors of the Group. The general time allocation is illustrated below.

Time Commitment

(%)



In addition to attending Board meetings and Pre-Board meetings, the Directors have attended the respective Board Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

3.1.12 Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2025/26. The process for the annual evaluation of the performance of Board and CEO is established under the oversight of the Senior Independent Director, Nominations and Governance and Human Resources and Compensation Committees, respectively. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structures
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

The scoring and open comments are collated by the Senior Independent Director to ensure an independent evaluation process. The results are analysed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening. Despite the initial anonymity of the remarks, the subsequent open and frank discussions often result in some Directors voluntarily identifying themselves as the source of the feedback, reflecting the openness of the Board. This process has, over time, contributed to improved Board dynamics through ongoing evaluation and deliberation.

More recent deliberations have centred around the operationalisation of the large ticket investments of the Group, continuous enhancement on the approach to proactively managing identification of risks, particularly in relation to cybersecurity risks, business resilience and enterprise risk management, including holistic sustainability and ESG-related policies.

It also includes periodic 360-degree appraisals for Executive Directors and other key management personnel.

3.1.13 Ensuring Independence and Managing Conflicts of Interests

As at 26 May 2026, the Board comprised of nine Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board. Two Directors are Non-Independent Non-Executive Directors due to their service on the Board exceeding nine years. Two Directors are Executive Directors.

The Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- Nominees are requested to make known their various interests.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

Once Appointed

- Directors obtain Board clearance prior to:
  - Accepting a new position.
  - Engaging in any transaction that could create or potentially create a conflict of interest.
- All NEDs are required to notify the Chairperson-CEO of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

During Board Meetings

- Directors who have an interest in a matter under discussion:
  - Excuse themselves from deliberations on the subject matter.
  - Abstain from voting on the subject matter (abstention from decisions is duly minuted).

The independence of all its Non-Executive Directors was reviewed on the basis of criteria summarised as follows. The Non-Executive Independent Directors did not have a conflict of interest, as per the criteria for independence outlined below.

Criteria for Defining Independence	Status of Conformity of NEDs
1. Shareholding carrying not less than 10% of voting rights.	None of the NED/IDs' shareholding exceed 1%.
2. Director of another company.*	None of the NED/IDs are Directors of another related party company.
3. Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all Non-Executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4. Employment at JKH and/or material business relationship with JKH, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at JKH.
5. Close family member is a Director, Chief Executive Officer (CEO) or a Key Management Personnel.	No family member of the NED/IDs is a Director or CEO or a Key Management Personnel.
6. Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs, except Mr. A. Cabraal and Dr. H. Wijayasuriya, satisfied this criterion for the year 2025/26. Both Mr. A Cabraal and Dr. H. Wijayasuriya no longer met the independence criteria outlined in the Listing Rules of the CSE, due to their tenure on the Board exceeding nine years.
7. Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies.* Entails other companies that have significant shareholding in JKH and/or JKH has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8. Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, the Board of Directors approves the recommendation and the shareholders approve by passing a resolution through a majority vote of the public shareholders at a general meeting of the Company.	All NEDs, except Mr. M. Menon, are below the age of 70. Mr. Menon, having attained the age of seventy (70) years, was appointed as an Independent Non-Executive Director to the Board with effect from 1 July 2025, following the recommendation of the Nominations and Governance Committee, the approval of the Board on 26 May 2025, and the approval of the Shareholders in terms of Section 211 of the Companies Act No. 7 of 2007 and Section 9.8.3(ix) of the Listing Rules of the CSE at the AGM held on 27 June 2025.

** Other companies in which a majority of the other Directors of the listed company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.*

3.1.13.1 Details in Respect of Directors

In accordance with the Group policy and subject to applicable law, the Directors shall not hold more than fifteen directorships in listed companies.

The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director.

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies and Membership in Other Entities
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
A. Cabraal	-	» Ceylon Beverage Holdings PLC - Chairman » Lion Brewery (Ceylon) PLC - Chairman » Sunshine Holdings PLC - Chairman » Watawala Plantations PLC	-	» CIC Feeds (Private) Limited – Chairman/NED » CIC Vetcare (Private) Limited – Chairman/NED » CIC Poultry Farms (Private) Limited – Chairman/NED » CIC Bio Security Breeder Farms (Private) Limited – Chairman/NED » Asiavet Lifescience (Private) Limited – Chairman/NED » Silvermill Investment Holdings (Private) Limited – Chairman/NED » Sunshine Consumer Lanka Limited – Chairman/NED » Sunshine Healthcare Lanka Limited – Chairman/NED » Healthguard Pharmacy Limited – Chairman/NED » Lina Manufacturing (Private) Limited – Chairman/NED » Century Properties Limited – INED » Sunshine Foundation for Good – NED » Sunshine Tea (Private) Limited – Chairman/NED » Moose Clothing Colombo (Private) Limited – Chairman/NED
S. Coorey	-	» Dialog Axiata PLC	-	-
S. Fernando	-	-	» CEO of MAS Holdings (Private) Limited	» Aqua Trading Global (Private) Limited » Bodyline (Private) Limited » Bodyline Trading (Private) Limited » Linea Aqua (Private) Limited » MAS Active (Private) Limited » MAS Capital (Private) Limited » MAS Fabrics (Private) Limited » MAS Investments (Private) Limited » MAS Innovation (Private) Limited » Noyon Lanka (Private) Limited » Silueta (Private) Limited » Texo (Private) Limited » Unichela (Private) Limited » Synapse (Private) Limited » World Vision Lanka
M. Jayesinghe	-	» Diesel and Motor Engineering PLC » Ceylon Hospitals PLC » C W Mackie PLC » Lanka Milk Food (CWE) PLC » Lanka IOC PLC » Vallibel One PLC » Royal Ceramics PLC » Lanka Ceramic PLC » Lanka Walltiles PLC	-	» Lanka Dairies Limited » NMJ Leisure (Private) Limited Other » Governing Board Member Central Bank of Sri Lanka » Member of the Accounting Standards Committee Sri Lanka » Chairman of the Accounting Standards Committee of the South Asia Federation of Accountants (SAFA) » Member Auditing Standards Committee of Sri Lanka » Sunera Foundation - Trustee

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies and Membership in Other Entities
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
M. Menon*	-	-	-	-
R. Shukla	-	-	-	-
H. Wijayasuriya	-	-	-	» Director of Colours of Courage Trust (Guarantee) Limited » Sigiriya Leisure (Private) Limited » Sigiriya Residencies (Private) Limited » Tangalle Leisure (Private) Limited Other » Dialog Foundation – Trustee » Sigiriya Trust – Trustee
K. Balendra	-	» Asian Hotels & Properties PLC » Ceylon Cold Stores PLC » John Keells PLC » John Keells Hotels PLC » Keells Food Products PLC » Trans Asia Hotels PLC » Union Assurance PLC	-	Director of several unlisted companies in the John Keells Group.**
G. Cooray	-	» Asian Hotels & Properties PLC » Ceylon Cold Stores PLC » John Keells PLC » John Keells Hotels PLC » Keells Food Products PLC » Trans Asia Hotels PLC	-	Director of several unlisted companies in the John Keells Group.**

** Appointed with effect from 1 July 2025.*

***Refer Group Directory of the Annual Report for further details*

Refer Board and Management Profiles for other appointments held in trade associations, regional and sectoral councils, regulatory bodies, among others – page 295.

Directors' Shareholding (John Keells Holdings PLC)	31 March 2026	31 March 2025
A. Cabraal	2,767,030	2,767,030
S. Coorey	-	-
S. Fernando	477,400	477,400
M. Jayesinghe	525,670	525,670
M. Menon	-	N/A
R. Shukla	-	-
H. Wijayasuriya	-	-
K. Balendra*	139,216,897	129,519,027
G. Cooray	6,834,614	4,524,450

**Includes shareholding of spouse.*

Executive Directors' Shareholding in Listed Group Companies:	Number of Shares as at 31 March 2026	
	K Balendra*	G Cooray
Ceylon Cold Stores PLC	819,040	-
Asian Hotels and Properties PLC	-	10,600
Trans Asia Hotels PLC	-	1,200

**Includes shareholding of spouse.*

3.1.14 Director Remuneration

3.1.14.1 Executive Director Remuneration

The Human Resources and Compensation Committee (HRCC) is responsible for determining the compensation of the Chairperson-CEO and the Deputy Chairperson/Group Finance Director, both Executive Directors of the Group. The HRCC operates in conformity with applicable rules and regulations and its Terms of Reference.

The Committee is comprised of a majority of Independent, Non-Executive Directors and serves as an independent conduit for shareholder and other stakeholder interests.

Refer the Human Resources and Compensation Committee section for further details – page 318.

A material proportion of Executive Director remuneration is variable. The variability is linked to the peer-adjusted consolidated Group bottom line and expected returns on shareholder funds, which aligns with the interest of shareholders by incentivising sustainable value creation over time. In determining remuneration, other non-financial key performance indicators (KPIs), including ESG considerations, are also given due prominence. Further, the HRCC consults the Chairperson-CEO about any proposals relating to the Executive Director remuneration, other than that of the Chairperson-CEO.

During the year, employee share options (ESOPs), valued using a binomial pricing model, were granted to the Executive Directors as well as to all other eligible employees.

Refer Notes to the Financial Statements section – page 470 and Share Information section – page 152 for further details.

Options available to Executive Directors under Employee Share Options Scheme:

Year of Expiry	K Balendra			G Cooray		
	Granted Shares	Immediately Vesting	To be Vested	Granted Shares	Immediately Vesting	To be Vested
2026/27	4,510,637	4,510,637	-	4,310,164	4,310,164	-
2027/28	4,510,637	3,382,978	1,127,659	4,129,739	3,097,305	1,032,434
2028/29	3,608,510	1,804,255	1,804,255	3,303,791	1,651,896	1,651,895
2029/30	4,460,519	1,115,130	3,345,389	4,104,680	1,026,170	3,078,510
2030/31	5,732,500	-	5,732,500	5,274,500	-	5,274,500
Total	22,822,803	10,813,000	12,009,803	21,122,874	10,085,534	11,037,340

3.1.14.2 Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macroeconomic conditions, time commitments to be made by such Directors and the complexities of the Company and/or Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs.34 million [2024/25: Rs.30 million].

Directors' Remuneration of JKH for the year ended 31 March 2026:

Rs.million	2025/26	2024/25
Remuneration to Executive Directors	483	349
Fixed	219	193
Variable	264	156
Remuneration to Non-Executive Directors	34	30

Refer Note 44.7 of the financial statement for further details – page 563.

3.1.14.3 Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

» Executive Directors: as per their employment contract similar to any other employee.

» Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors and no clawbacks have been reported during the year.

3.2 Board Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Committees. Members of these Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise.

The five Board Committees are as follows:

i. Audit Committee
ii. Human Resources and Compensation Committee
iii. Nominations and Governance Committee
iv. Related Party Transactions Review Committee
v. Project Risk Assessment Committee

Out of the five Board Committees, four are mandatory, whilst the Project Risk Assessment Committee was formed voluntarily, considering the need to understand the risks and feasibility of material new investments at an earlier stage for better alignment with the Board, given the diverse nature of businesses within the Group.

Important matters arising from the Board Committee meetings are deliberated at the Board meetings, and any concerns identified are referred to the Board for oversight.

The Board Committees comprise predominantly of Independent Non-Executive Directors.

The membership of the five Board Committees is as follows:

Board Committee Membership as at 26 May 2026	Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	Project Risk Assessment Committee
Senior Independent Non-Executive					
S. Fernando	●	▲		●	
Independent Non-Executive					
M. Jayesinghe	▲			▲	
S. Coorey			▲		
M. Menon		●			
R. Shukla			●		
Non-Independent Non-Executive					
A. Cabraal	●	●	●	●	●
H. Wijayasuriya		●	●		▲
Executive					
K. Balendra – Chairperson-CEO					●
G. Cooray – Deputy Chairperson/Group Finance Director					●

● *Committee Member* ▲ *Committee Chair*

3.2.1 Audit Committee

Composition

- Comprises three members, a majority of whom are Independent Non-Executive Directors, with the chairperson of the committee having significant, recent and relevant financial management and accounting experience, and membership in a recognised professional accounting body.
- The Chairperson-CEO and the Group Finance Director are permanent invitees for all Committee meetings. The Group Financial Controller is also present at discussions relating to Group reporting.
- The Head of the Group Business Process Review division is the Secretary of the Committee.

Scope

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- Obtain and review assurance received from the CEO, Group Finance Director and other Key Management Personnel, as relevant, that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's and Group's operations and finances.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- Review the adequacy and effectiveness of internal and external audit arrangements.
- Review the risk policies adopted by the Company on an annual basis.
- Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

3.2.1.1 Audit Committee Meeting Attendance

No. of meetings – five

	Eligible to Attend	Attended	Date of Appointment
M. Jayesinghe – Chairperson	5	5	01/07/2024
A. Cabraal	5	5	07/11/2013
S. Fernando	5	5	09/08/2023
By invitation			
K. Balendra	5	4	-
G. Cooray	5	5	-

Note: The Committee convened at least once every quarter.

3.2.1.2 Report of the Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the Group, the internal control and risk management framework and systems of the Group, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and, the adequacy and performance of the Internal Audit function undertaken by the Group Business Process Review division (GBPR). The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually. The Committee's responsibilities pertain to the Group as a whole and in discharging its responsibilities, the Committee places reliance on the work of other Audit Committees in the Group without prejudicing the independence of those Committees. However, to the extent, and in a manner, it considers appropriate, the Committee provides feedback to those entities for their consideration and necessary action.

The effectiveness of the Committee is evaluated annually by each member of the Committee and the results are communicated to the Board.

Composition of the Committee and Meetings

The Audit Committee comprises the undersigned and the following Directors:

M. Jayesinghe (INED) - Chairperson
A. Cabraal (NED)
S. Fernando (INED)

The Head of the GBPR division served as the Secretary to the Audit Committee.

The Audit Committee met five times during the financial year. Information on the attendance at these meetings by the members of the Committee is given in the ensuing section. The Chairperson-CEO, the Deputy Chairperson/Group Finance Director, Group Financial Controller and the External Auditors attended most parts of these meetings by invitation. The Internal Auditors carried out outsourced assignments and relevant executives of the Company and the Group also attended these meetings when needed. The Committee engaged with management to review key risks faced by the Group as a whole and the main sectors with a view to obtaining assurances that appropriate and effective risk mitigation strategies were in place.

The activities and views of the Committee were communicated to the Board of Directors quarterly through verbal briefings by the Chairperson of the Committee, and by tabling the minutes of the Committee's meetings.

Financial Reporting

The Audit Committee has reviewed and discussed the Group's quarterly financial statements and the annual statements with the Management. The External Auditors were engaged to conduct a limited review of the Group's interim financial statements for the six months ended 30 September 2025. The results of this review were discussed with the External Auditors prior to publication of these statements. The scope of the review included ascertaining compliance of the statements and disclosures with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters. Discussions were also held with the External Auditors and management on matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee obtained independent input from the External Auditors on the effects of any new Sri Lanka Accounting Standards that came into effect for the year under review and satisfied themselves that the necessary preparatory work was carried out, to enable the Company to comply with these new standards.

Internal Audit, Risks and Controls

The Committee reviewed the adequacy of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group with the Head of the GBPR division and the Management. The Internal Audit function of most Group companies is outsourced to leading professional firms under the direction and control of the GBPR division.

The GBPR division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of the Group. Reports from outsourced Internal Auditors on the operations of the Company and some of the unlisted subsidiaries of the Company were also reviewed by the Committee. Follow-up action was taken on the recommendations of the outsourced Internal Auditors and any other significant follow-up matters were documented and presented to the Committee on a quarterly basis by the Head of GBPR. The Committee also reviewed the effectiveness of digital forensic tools used by GBPR.

The Sustainability and Enterprise Risk Management division reported to the Committee on the process of identification, evaluation and management of all significant risks faced by the Group. The report covered the overall risk profile of the Group for the year under review in comparison with that of the previous year, and the most significant risks from a Group perspective together with mitigatory action. The Group functions in an environment where not all risks can be completely eliminated and in this context the Committee reviews remedial measures taken to manage risks that do materialise and the level of residual risk.

Formal confirmations and assurances were obtained from the senior management of Group companies on a quarterly basis regarding the efficacy and status of the internal control systems and risk management systems and compliance with applicable laws and regulations.

The Committee reviewed the whistleblowing arrangements for the Group and had direct access to the Ombudsperson for the Group. The effectiveness and resource requirements of the GBPR division were reviewed and discussed with management and changes were affected where considered necessary.

External Audit

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding matters of significance that were pending resolution. Before the conclusion of the Audit, the Committee met with the External Auditors and management to discuss all audit issues and to agree on actions. This included the discussion of formal reports from the External Auditors to the Committee. The Committee also met the External Auditors, without management being present, prior to the finalisation of the financial statements to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. No matters other than those already discussed with management and resolved were raised by the External Auditors.

The External Auditors' final management reports on the audit of the Company and Group financial statements for the year 2025/26 were discussed with the management and the Auditors.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the John Keells Group and preclearance was given for these services. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated with the aid of a formal assessment process with input provided by the senior management of the Company. Based on the performance assessment, the Committee has recommended to the Board that Ernst & Young be re-appointed as the Lead/Consolidation Auditor of the Group for the financial year ending 31 March 2027, subject to approval by the Shareholders at the Annual General Meeting.



M. Jayesinghe
Chairperson of the Audit Committee

26 May 2026

3.2.2 Human Resources and Compensation Committee

Composition

- The Committee comprises of Non-Executive Directors, out of which two Directors are Independent Non-Executive Directors.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- The Chairperson-CEO and Group Finance Director are invited to all Committee meetings unless the Chairperson-CEO or Executive Director remuneration is under discussion, respectively.
- The Deputy Chairperson/Group Finance Director is the Secretary of the Committee.

Scope

- Review and recommend overall remuneration philosophy, strategy, policies and practice and performance-based pay plans for the Group.
- Determine and agree with the Board a framework for the remuneration of the Chairperson-CEO and Executive Directors based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration.
- Succession planning and talent management of Key Management Personnel.
- Ensure the integrity of the Group's compensation and benefits programme is maintained.
- Commission compensation and benefit surveys as appropriate to assist the Committee in its deliberations.
- In performing these functions, to ensure that stakeholder interest are aligned and that the Group is able to attract, motivate and retain talent.
- While external consultants are not directly involved in determining remuneration, the Committee may invite independent external specialists to provide advice and information on relevant remuneration and Human Resource development practices, at its discretion.
- Determining compensation of Non-Executive Directors is not under the scope of this Committee.

3.2.2.1 Human Resources and Compensation Committee Meeting Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
S. Fernando - Chairperson	1	1	01/07/2025
A. Cabraal	1	1	29/01/2015
H. Wijayasuriya	1	1	05/11/2016
By invitation			
S. Coorey	1	1	-
M. Menon*	1	1	04/10/2025
R. Shukla	1	1	-
M. Jayesinghe	1	1	-

**Attended as an invitee as the meeting was held in July 2025 but was appointed to the Committee in October 2025.*

3.2.2.2 Report of the Human Resources and Compensation Committee

The Human Resource and Compensation Committee forms a key part of the governance framework of the Group and carries the mandate to oversee the compensation and benefits policies adopted by the Group, and in doing so, review and recommend overall remuneration philosophy, strategy, policies and practices and performance-based pay plans. Furthermore, it reviews performance, compensation and benefits of the CEO, the other Executive Directors, and key executives who support and implement decisions at an apex level, the overall business strategy and make recommendations, thereon to the Board. The Committee also reviews and monitors the performance of the Group's top talent for the purposes of organisational growth and succession planning, with particular emphasis on succession at key executive levels.

In performing this role, the Committee is conscious of the need to ensure that stakeholder interests are aligned, and the Group is able to attract, motivate, retain talent and ensure their loyalty; the integrity of the Group's compensation and benefits programme is maintained and importantly, that the compensation policy and schemes are compliant with applicable laws and regulations.

In this context, the Committee determined the remuneration of the Executive Directors including the Chairperson-CEO in terms of the methodology set out by the Board, upon an evaluation of their performance by the Non-Executive Directors. The evaluation of the members of the Group Executive Committee was considered by the Committee and remuneration was determined based on performance, market comparators for similar positions and in accordance with the Company's Compensation and Benefits policy.

As per the mandate outlined, the report from the Chairperson of the Human Resources and Compensation Committee continues to be a standing agenda item at the quarterly Board meetings. The Chairperson of the Committee reports on the developments which have taken place since the last Board meeting, if any, and updates the Board on various matters, as relevant and requested.

The Committee wishes to report that the Company has complied with the Companies Act in relation to remuneration of Directors. The annual performance appraisal scheme and the calculation of short term incentives were executed in accordance with the approvals given by the Board, based on discussions conducted between the Committee and the management. The employee share option scheme (ESOPs), including the award of ESOPs, was implemented in accordance with the Listing Rules of the Colombo Stock Exchange and in line with approval granted by the Board and shareholders.



S. Fernando
Chairperson of the Human Resources and Compensation Committee

26 May 2026

3.2.3 Nominations and Governance Committee

Composition

- The Committee comprises of Non-Executive Directors, out of which two Directors are Independent Non-Executive Director.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- The Secretary to the Board is the Secretary of the Committee.

Scope

- Develop and maintain a formal and transparent procedure and criteria to evaluate, select and appoint/re-appoint Directors, the CEO and Key Management Personnel (KMP)
- Assess the skills and capabilities required by the Board in light of the Group's business needs and the extent to which the required skills are represented at the Board.
- Periodically review the Board's structure, size, composition, diversity, and competencies, and recommend any changes considered necessary.
- Identify and recommend suitable candidates for appointments/ re-appointment to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clear expectations in terms of time commitment, involvement outside of the formal Board meetings and participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Group.
- The appointment of the Chairperson-CEO and Executive Directors is a collective decision of the Board.
- Succession planning of Board of Directors.
- Periodically, and ·in consultation with the Chairperson-CEO and all Independent Non-Executive Directors of the Board, review the Company's succession planning for CEO.
- Establish the framework and processes for the periodic evaluation of the Board and the CEO to ensure that their responsibilities are satisfactorily discharged.
- Periodically review the independence of all Independent Non-Executive Directors in terms of independence criteria specified by applicable laws, rules and regulations.
- Review and recommend the overall corporate governance framework considering the requirements of applicable laws, rules, regulations and international best practices and annual update to the Board.
- Receive and review reports from management on compliance/ non-compliance (reason and rationale for non-compliance) with the corporate governance framework.
- Ensure the adoption of a process to inform Independent Non-Executive Directors of major issues relating to the Company.
- At its discretion, seek appropriate professional advice from within and outside the Company as and when it considers necessary.

3.2.3.1 Report of the Nominations and Governance Committee

The Nominations and Governance Committee, appointed by the Board, is constituted in accordance with the Listing Rules and the Company's Corporate Governance Framework. Its mandate, scope of functions, composition, and operating procedures are expressly set out in the Committee Charter (Terms of Reference).

During the year, the Committee undertook a review of its Charter to ensure continued alignment with applicable regulatory requirements, including the Listing Rules of the Colombo Stock Exchange. The Committee's responsibilities are guided by Section 9.11.5 of the Listing Rules, together with corporate governance best practices voluntarily adopted by the Company. The Board Secretary serves as the Secretary to the Committee.

Mandate

The Committee reaffirms its mandate to:

- Lead the process of Board appointments and make recommendations to the Board on all new appointments, as well as the re-election or reappointment of Directors retiring under the Articles of Association, contract or Applicable Law.
- Oversee the appointment, re-election, and reappointment processes for Directors of the Company's listed subsidiaries, in accordance with the John Keells Group's philosophy and framework governing Director appointments and tenure.
- Ensure that a comprehensive Board induction programme is established and implemented for newly appointed Directors.
- Define and maintain the processes for the nomination and re-appointment and re-election of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
- Ensure that an appropriate methodology is in place to periodically conduct a Board self evaluation, administered by the Senior Independent Director, with outcomes discussed at Board level.
- Review and recommend the overall corporate governance framework, taking into account Applicable Laws, regulatory requirements, and recognised industry and international best practices.
- Periodically review CEO succession planning, in consultation with the Chairperson–CEO, and in liaison with all Independent Non-Executive Directors, including the Senior Independent Director

Activities During the Year

For the financial year ended 31 March 2026, the Committee undertook the following key activities:

- Collaborated with the Board to review the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a wide range of attributes, including experience, skills, age, gender, and other relevant factors, to ensure a well rounded mix of perspectives that enhance Board performance and decision-making. These considerations were embedded into the Director appointment process.
- Evaluated all Board appointments and re-appointments, ensuring alignment with the Company's corporate governance policies and framework, including succession planning. All evaluations were carried out in an informed, equitable, and impartial manner, with Directors abstaining from decisions relating to their own appointment or re-appointment.

The Committee recommended the following Director appointments and contract renewals to the Boards of the Company and its listed subsidiaries, in accordance with the Nominations and Re-Election Policy, the Listing Rules, the Companies Act, and following due diligence on qualifications, experience, fit and proper requirements, and independence criteria where applicable:

John Keells Holdings PLC

- Mr. M. K. Menon, Independent Non-Executive Director (new appointment)
- Mr. D. A. Cabraal, Non-Independent Non-Executive Director (renewal)*
- Dr. S. S. H. Wijayasuriya, Non-Independent Non-Executive Director (renewal)*
- Dr. S. A. Coorey, Independent Non-Executive Director (renewal)*

**Each Director abstained from the determination of the Committee with respect to the renewal of their contract.*

Union Assurance PLC

- Ms. C. M. L. Dias Bandaranaike, Independent Non-Executive Director (new appointment)
- Mr. S. A. J. S. Jayatilake, Executive Director (new appointment)
- Mr. P. T. Wanigasekara, Independent Non-Executive Director (renewal)

Asian Hotels and Properties PLC

- Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- Mr. M. H. Singhawansa, Non-Independent Non-Executive Director (new appointment)

Trans Asia Hotels PLC

- Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- Mr. M. H. Singhawansa, Non-Independent Non-Executive Director (new appointment)
- Ms. S. A. Atukorale, Independent Non-Executive Director (renewal)
- Mr. N. L. Gooneratne, Non-Independent Non-Executive Director (renewal)

John Keells Hotels PLC

- Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- Dr. K. A. Gunasekera, Independent Non-Executive Director (renewal)
- Mr. H. Premaratne, Independent Non-Executive Director (renewal)

Keells Food Products PLC

- Ms. A. Nanayakkara, Independent Non-Executive Director (new appointment)
- Mr. K. C. S. Fernando, Independent Non-Executive Director (new appointment)
- Mr. M. M. J. W. Jayasekara, Independent Non-Executive Director (new appointment)

John Keells PLC

- Mr. P. T. Wanigasekara, Independent Non-Executive Director (new appointment)

» Ms. N. A. S. Akuratiyagama, Independent Non-Executive Director (new appointment)

» Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board, being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson), retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year to retire at the first Annual General Meeting following their appointment.

The following Directors, retired under Articles 84 and 91, and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 27 June 2025:

» Mr. J. G. A. Cooray, Executive Director (Article 84)

» Mr. D. V. R. S. Fernando, Independent Non-Executive Director (Article 84)

» Mr. H. M. A. Jayesinghe, Independent Non-Executive Director (Article 91)

» Ms. R. Shukla, Independent Non-Executive Director (Article 91)

» Ensured that the newly appointed Director, Mr. M. K. Menon, Independent Non-Executive Director, was provided with a formal induction programme and an induction pack.

» Ensured that all Directors, including Independent Non-Executive Directors, were kept informed of regulatory updates, governance developments, and significant matters through periodic briefings at Board and Committee meetings, as well as through Board notes.

» Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.

» Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.

» Reviewed the Board Charter and key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Directors retiring at the Annual General Meeting of the Company for the Financial Year ended 31 March 2026

The following Directors will be retiring under Article 84 of the Company's Articles of Association and will be placed before the shareholders at the Annual General Meeting of the Company on 26 June 2026 for re-election:

» Mr. D. A. Cabraal, Non-Independent Non-Executive Director

» Mr. H. M. A. Jayesinghe, Independent Non-Executive Director

Mr. M. K. Menon will be retiring in terms of Section 210 of the Companies Act and will be placed before the shareholders at the Annual General Meeting for re-appointment in terms of Section 211 of the Companies Act and for his designation as an Independent Non Executive-Director under Section 9.8.3 (ix) of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles, Corporate Governance Commentary and Annual Report of the Director sections of this Annual Report.

Board, Chairperson-CEO and Board Committee Evaluations

» The Committee conducted a self-evaluation of its performance for the year and determined that it had discharged its responsibilities effectively in accordance with the Committee Charter.

» All other Committees of the Board underwent similar performance assessments.

» The Board completed an annual self-assessment of its performance and the performance of the Chairperson-CEO for the financial year 2024/25, the outcome of which were discussed between the Board and the Committee.

The evaluation of the Board for the financial year 2025/26 was conducted in May 2026. In line with this process, the evaluation of the Chairperson-CEO is scheduled to be undertaken in June 2026, with the results to be reviewed and discussed with the Board thereafter.

Reporting

The Committee periodically reports on its activities to the Board during the Company's Board meetings.

Governance Practices and Compliance with Listing Rules

The Committee reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of compliance with the Listing Rules is provided in the Corporate Governance Commentary section of this Annual Report.



S. Coorey
Chairperson of the Nominations and Governance Committee

26 May 2026

3.2.3.2 Nominations and Governance Committee Meeting Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
S. Coorey - Chairperson	1	1	08/11/2023
A. Cabraal	1	1	07/11/2013
R. Shukla*	N/A	N/A	04/10/2025
H. Wijayasuriya	1	1	05/11/2016

**Appointed with effect from 4 October 2025.*

3.2.4 Related Party Transactions Review Committee

Composition

- The Committee comprises of three Non-Executive Directors, out of which two Directors are Independent Non-Executive Director.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- The Chairperson-CEO and the Group Finance Director are permanent invitees for all Committee meetings. The Group Financial Controller is also present at discussions relating to Group reporting.
- The Head of the Group Business Process Review division is the Secretary of the Committee.

Scope

- All proposed Related Party Transactions shall be reviewed in advance and in the event of any material changes, such changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
- Develop and recommend for adoption by the Board of Directors of JKH and its listed subsidiaries, a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group.
- The Group has broadened the scope of the Committee to include senior decision makers in the list of Key Management Personnel, whose transactions with Group companies also get reviewed by the Committee, in addition to the requisitions of the CSE.
- Update the Board on Related Party Transactions of each of the listed companies of the Group on a quarterly basis and formally request the Board to approve the related party transactions following the determination of whether such approval is needed.
- Define and establish the threshold values for each of the subject listed companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies.
- Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions, and where necessary, obtain expert advice from an appropriately qualified person.
- Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the Meeting and shall not vote in the matter, except at the request of the Committee.

3.2.4.1 Report of the Related Party Transactions Review Committee

Composition

The following Directors served as members of the Committee during the financial year:

M. Jayesinghe (INED) - Chairperson
A. Cabraal (NED)
S. Fernando (INED)

The Chairperson-CEO, Deputy Chairperson/Group Finance Director, and Group Financial Controller attended meetings by invitation. The Head of Group Business Process Review served as the Secretary to the Committee. The Committee held four meetings during the financial year, which were held on a quarterly basis. Information on the attendance at these meetings by the members of the Committee is given alongside. Urgent transactions that required prior approval of the Committee were dealt with by circulation among the members.

Objective and Governing Policies

The objective of the Committee is to exercise oversight on behalf of the Board of John Keells Holdings PLC and its listed subsidiaries, to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Groups' internal governance framework and associated policies.

Procedure

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with 'The Code' and the Listing Rules of the CSE;
- shareholder interests are protected, and;
- fairness and transparency are maintained.

Non-recurrent Related Party Transactions (RPTs) of Listed Entities:

The Committee reviewed and pre-approved all proposed non-recurrent Related Party Transactions (RPTs) of John Keells Holdings PLC for the full period under consideration.

Recurrent RPTs of Listed Entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior Management of so as to validate compliance with the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

Other Significant Transactions of Non-Listed Subsidiaries:

Material transactions of non-listed subsidiaries in the Group were presented to the Committee for information.

The Group continued to adopt a broader scope in defining Key Management Personnel including therein all senior decision makers. Accordingly, in addition to the Directors, all Presidents, Executive Vice Presidents, Chief Executive Officers, Chief Financial Officers and Financial Controllers of respective companies/sectors have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.



M. Jayesinghe
Chairperson of the Related Party Transactions Review Committee

26 May 2026

3.2.4.2. Related Party Transactions Review Committee Meeting Attendance

No. of meetings – four

	Eligible to Attend	Attended	Date of Appointment
M. Jayesinghe – Chairperson	4	4	01/07/2024
A. Cabraal	4	4	29/01/2014
S. Fernando	4	4	08/11/2023
By invitation			
K. Balendra	4	3	-
G. Cooray	4	4	-

Note: The Committee convened at least once every quarter.

3.2.5 Project Risk Assessment Committee

Composition

- The Committee comprises of two Non-Executive Directors and two Executive Directors.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- The Deputy Chairperson/Group Finance Director is the Secretary of the Committee.

Scope

- Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated.
- Ensure stakeholder interests are aligned, as applicable, in making this investment decision.
- Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.
- Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.
- The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

3.2.5.1 Report of the Project Risk Assessment Committee

H. Wijayasuriya (Chairperson)
A. Cabraal
K. Balendra
G. Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a Board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising of ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios. The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognizance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRCT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the Committee and Board were of the view that related deliberations should take place with participation of the full Board as regular Board agenda items.



H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

25 May 2026

3.2.5.2 Project Risk Assessment Committee Meeting Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
H. Wijayasuriya - Chairperson	1	1	25/05/2018
A. Cabraal	1	1	01/10/2024
K. Balendra	1	1	25/05/2018
G. Cooray	1	1	25/05/2018

3.3 Combined Chairperson-CEO Role

The Group's Chairperson continued to play the role of the CEO, in addition to the role of Chairperson. The appropriateness of combining the two roles is discussed in detail in the ensuing section.

Responsibilities as Chairperson:

- To provide leadership to the Board whilst inculcating good governance and ensuring the effective discharge of the Board's responsibilities for the business and affairs of the Company, including oversight of management.
- Ensure constructive working relations are maintained between the Executive and Non-Executive members of the Board.
- Ensure, with the assistance of the Board Secretary, that:
  - Board procedures are followed.
  - Information is disseminated in a timely manner to the Board, and all Directors are adequately briefed on pertinent matters, including those arising at Board meetings.
- Ensure that appropriate steps are taken to provide effective communication with shareholders and other stakeholders.

Responsibilities as CEO:

- Provide effective leadership to the Company and Group by fostering a culture of integrity, performance and accountability.
- Execute strategies and policies of the Board.
- Ensure the efficient management of all businesses.
- Ensure the identification and management of operational risks, with particular focus on those that could materially impact the Company and Group.
- Ensure the operating model of the Group is aligned with short and long term strategies of the Group.
- Ensure succession at the senior-most levels is planned.

3.3.1 Appropriateness of Combining the Roles of Chairperson and CEO

The appropriateness of combining the roles of the Chairperson and CEO was established after evaluation and debate, internally and externally. The appropriateness of continuing with the combined role is revisited and rigorously evaluated periodically. For the Group, the Board maintains the view that, the combination of the two roles is the most effective structure to meet stakeholder objectives in a large, diversified conglomerate setting. This position reflects the Group's presence within multiple industries and exposure to dynamic macroeconomic environment, which require leadership that is both nimble and agile. These deliberations are informed by benchmarking against international best practices, industry standards, and insights drawn from published research and advisory frameworks.

- Over the past years, some companies in certain geographies have moved toward separating the Chairperson and CEO roles, based on the theoretical view that an independent Chairperson strengthens the Board's ability to oversee management.
- However, more recently, empirical research has suggested that combining the roles is likely to yield better performance of the Company, and that the independence status of the Chairperson is not a material indicator of firm performance or governance quality [Liu, R. (2019), Mubeen, R. et al. (2021)].
- The objective of enhancing governance and independence can often be more effectively achieved through complementary mechanisms that provide assurance when the Chairperson and CEO roles are combined. Where these mechanisms ensure robust oversight, introducing a separate Chairperson role may not materially improve governance or the operating model of a company, including JKH, particularly in the absence of evidence demonstrating the superiority of segregation. Key assurance mechanisms include:

  (i) Establishing a strong independent governance element, such as:
  - Presence of a Senior Independent Director who will act as the independent party to whom concerns could be voiced on a confidential basis, including at separate meetings with Non-Executive and Independent Directors, to enable independent deliberation on key matters and ensure that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors.
  - A Nominations and Governance Committee that ensures the nomination of Non-Executives who are truly independent.
  - The presence of a Board which comprises of a majority Independent Directors.
  - Presence of an Ombudsperson.

  (ii) Use of systematic, comprehensive Board and Chairperson-CEO evaluations.

  (iii) Ensuring active involvement of the Board in CEO succession and strategy formulation.

In terms of Section 9.6.2 of the Listing Rules, the Chairperson of the Company is an Executive Director, and the Chairperson and Chief Executive Officer (CEO) positions of the Company are held by the same individual. Since the Company already has in place the role of a Senior Independent Director, the Company is compliant under the alternative option under Section 9.6.1 and Section 9.6.3 of the Listing Rules.

The role of a Senior Independent Director has been in place for over a decade at JKH. It is the view of the Board, and the Group's experience has proven that the JKH Board composition of a majority of Independent Non-Executive Directors, coupled with the role of the

Senior Independent Director, and other supporting Board dynamics, have enabled the Chairperson-CEO to effectively balance the dual role as the Chairperson of the Board and the CEO of the Company, particularly given the diversified conglomerate structure of the Group.

In view of the combined Chairperson-CEO role, the Chairperson is not required to stand for re-election, unlike other Executive and Non-Executive Directors, consistent with the provisions of the Company's Articles of Association.

3.3.2 Chairperson-CEO Appraisal

The Human Resources and Compensation Committee, appraised the performance of the Chairperson-CEO on the basis of pre-agreed goals for the Group, set in consultation with the Board. These goals cover the ensuing broad aspects and is also based on the Group's performance assessed against the goal and peers which involve other listed companies on the CSE:

- Creating and adding shareholder value
- Success in identifying and implementing projects
- Sustaining a first-class image
- Developing human capital
- Promoting collaboration and team spirit
- Building sustainable external relations
- Leveraging Board members and other stakeholders
- Ensuring good governance and integrity in the Group
- Oversight of sustainability impacts and sustainability-related risks and opportunities

3.3.3 Direct Discussions with the Non-Executive Directors

The Senior Independent Director convenes meetings exclusively for Non-Executive Directors to discuss matters independently of management. The Chairperson-CEO is subsequently briefed on issues arising from these discussions, which are then addressed in consultation with the relevant parties.

During the year under review, the Non-Executive Directors met twice without the presence of the Executive Directors.

3.4 Senior Independent Director (SID)

Considering the combined role of the Chairperson-CEO, the presence of the Senior Independent Director is important in ensuring that no one person has unfettered decision-making powers, and that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson-CEO, at least twice every year to evaluate the effectiveness of the Chairperson-CEO and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or the Board as appropriate. The Senior Independent Director acts as a trusted point of contact for the Non-Executive Directors, particularly when concerns arise regarding strategy, governance, or the Chairperson-CEO's dual role. The Senior Independent Director is also kept informed by the Ombudsperson of any matters in respect of the JKH Code of Conduct which has come to his attention.

The role and responsibilities of the SID is evaluated annually by the Board. In the event of any conflicts of interest on the part of the SID in relation to any particular aspect of his/her role, another Independent Director will be required to perform that aspect of the SID's role. The SID will remain in office unless otherwise determined by the Board or in the event the SID ceases to be an Independent Non-Executive Director of the Company.

3.4.1 Report of the Senior Independent Director

A. Cabraal
S. Coorey
M. Jayesinghe
M. Menon - Appointed with effect from 1 July 2025
R. Shukla
H. Wijayasuriya

The independence of each Director has been established based on the information and declarations submitted by the respective Directors.

During the course of the period under review, the Independent/ Non-Executive Directors held two meetings, excluding the participation of Executive Directors.

Board representation of INED's was augmented this year with the addition of Mr. Madhavan Menon. The majority of the Board continues to be represented by INED's, where they bring diverse representation across multiple industry segments.

Discourse among Independent Non-Executive Directors have consistently focused on the evolving corporate governance landscape, globally and locally. There is confidence in the approach to risk and compliance of the Group as well as the corporate governance framework in place. The Independent Non-Executive Director's views and recommendations are carefully considered and effectively implemented. JKH as a Group continues to stay abreast of Corporate Governance and best practice by fostering an effective and collaborative relationship between the Board and the Group Executive Committee (GEC).

The Independent Non-Executive Directors have spent time on topics salient to the directional strategy of the Group, including, but not limited to, opportunities arising from the rebound of the national economy, portfolio evolution, sectoral dynamics, capital deployment priorities and short and long term levers for value creation. As the Group expands further into consumer-facing sectors, the Board will place greater emphasis on consumer-centric metrics that support the development of a stronger customer-focused culture across the Group.

Given the critical importance of leadership talent and succession planning, the Independent Non-Executive Directors regularly reviewed talent management at Board and Senior Management

levels. This included oversight of leadership depth, continuity, gender representation, and succession readiness, as well as the performance and delivery of key executive leaders. The remuneration of Executive Directors was determined by the Human Resources and Compensation Committee (HRCC), which comprised Independent Non-Executive Directors.

Closed door meetings of the Independent Non-Executive Directors are followed by a discussion with the Chairperson-CEO, who the Independent Non-Executive Directors have found to consistently address matters raised, either in the form of immediate clarification or subsequent follow-up action, which in turn, have been reported to the Board.

The minutes of meetings of the GEC are circulated to the Independent Non-Executive Directors to ensure a high degree of transparency and interaction between the Executive and Non-Executive members of the Board. The Independent Non-Executive Directors are also kept advised on the progress of key investments and strategic initiatives.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15 May 2026, being the date of his report. No other issues that fall under the purview of the Ombudsperson have been brought to his attention during the financial year that would indicate mismanagement, unfair treatment or justified discontent on the part of any employee or ex-employee during the financial year.

The Independent Non-Executive Directors thank the Chairperson-CEO, Deputy Chairperson/Group Finance Director, members of the Group Executive Committee, Sector Heads and members of the management team for their transparent and cooperative engagement with the Independent Non-Executive Directors, at all times.



S. Fernando
Senior Independent Director

26 May 2026

3.5 Group Executive Committee, Other Management Committees and ESG and Sustainability Steering Committee

The Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants six months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson-CEO, Deputy Chairperson/Group Finance Director and Presidents are ultimately accountable for the Company/Group and the industry groups/sectors/business functions respectively, all decisions are taken on a committee structure as described below.

3.5.1 Group Executive Committee (GEC)

As at 26 May 2026, the six-member GEC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as enablers of the Group's operating model, ensuring that strategic objectives are effectively implemented across all business functions, including operations, finance, human resources, technology, and risk management. The GEC members bring a wealth of experience, diverse perspectives, and deep expertise, strengthening both operational efficiency and strategic decision-making.

In addition, the Board delegates executive decision-making on sustainability impacts and strategies to address operational, sustainability- and climate-related risks and opportunities to the GEC, which is supported by the ESG and Sustainability Steering Committee and further assisted by the Presidents and the Sustainability and ERM division in managing these matters.*

Refer Sustainability Governance Section for further details – page 337.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the Group.

Refer GEC Profiles for further details – page 298.

3.5.2 Group Operating Committee (GOC)

As at 26 May 2026, the 19-member GOC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director, the Presidents and the Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads of their respective Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions.

The GOC meets once a month during the year and is instrumental in preserving a common group identity across diverse business units.

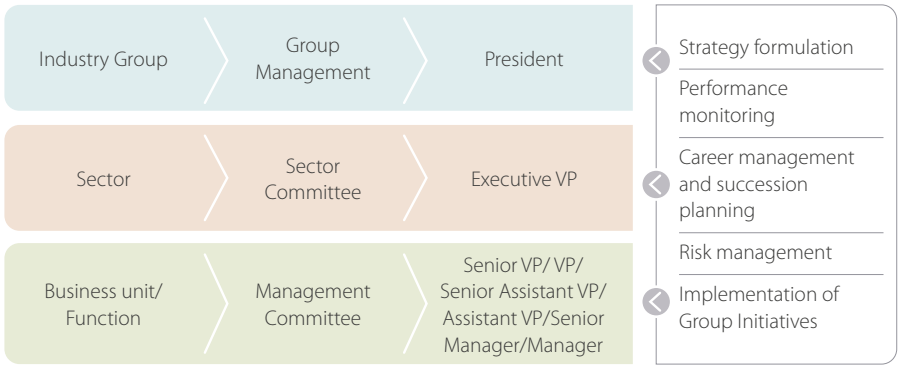
Refer GOC Profiles for further details – page 299.

3.5.3 Other Management Committees

These include the Group Management Committee, Sector Committee and Management Committee which are responsible at the industry group level, sector level and business unit level respectively. The underlying intention of forming these Committees is to encourage the respective business units to take responsibility and accountability at the grass-root level via suitably structured Committees and teams by objective setting.

The agendas of these Committees are carefully structured to avoid duplication of effort and to ensure that discussions and debate are complementary, both in terms of a bottom-up and top-down flow of information and accountability. These Committees met regularly and carried out their tasks in keeping with their scope. The Management Committees proved to be key in enhancing employee engagement and empowerment.

Illustrated below is the structure of the three Committees.



Note: Vice President (VP)

3.5.4 ESG and Sustainability Steering Committee

ESG and Sustainability Steering Committee is a senior-level governance body that guides, oversees and supports the development, execution, and reporting of the Group's ESG strategy. It ensures ESG and sustainability priorities are embedded across the organisation by advising the Group Executive Committee, reviewing goals and performance, overseeing stakeholder engagement and materiality, managing sustainability-related risks, and ensuring strong ESG reporting, policies, and governance structures.

Refer 4.7 - Sustainability Governance section for a detailed discussion – page 337.

3.6 Employee Empowerment

The Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of the Group's employees, a vital stakeholder and key asset of the Group. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with, and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights are defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long term plans and the Group also ensured employee involvement in strategy, and thereby empowerment.
- Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision-making.

The Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference, and promotes workplaces which are free from physical, verbal or sexual harassment.

4 INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the main governance systems and procedures of the Group. These systems and procedures strengthen the elements of the JKH Internal Governance Structure and are benchmarked against industry best practice.

i. Strategy formulation and decision-making process
ii. Human resource governance
iii. Integrated risk management
iv. IT governance
v. Tax governance
vi. Stakeholder management and effective communications
vii. Sustainability governance

4.1 Strategy Formulation and Decision-Making Processes

4.1.1 Strategy Mapping

Strategy mapping exercises, concentrating on the short, medium and long term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Customer insights and value proposition.
- Competitor analysis and competitive positioning.
- Analysis of key risks and opportunities.
- Review of ESG considerations.
- Digitisation and IT strategy.
- Management of stakeholders, such as, suppliers.
- Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

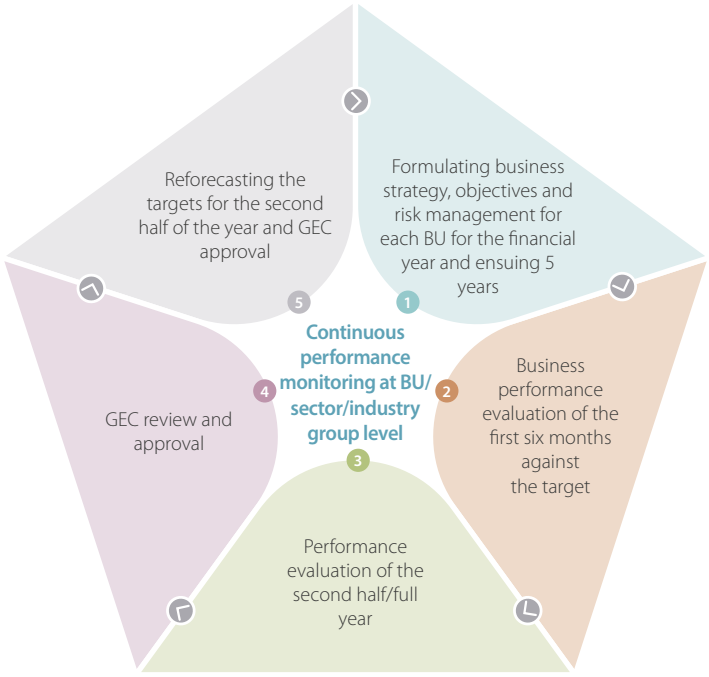
The strategies of the various business units, operating in diverse industries and markets, revolves around Group strategy, while considering their domain specific factors. The primary focus is to enhance value for all stakeholders.

The Group's investment appraisal methodology and decision-making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

- A broad range of views, opinions and advice are obtained prior to making an investment decision.
- A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision-making powers over investment decisions.
- The ultimate responsibility and accountability of the investment decision rests with the Chairperson-CEO.

The following section further elaborates on the Group's strategy formulation and planning process.



4.1.2 Medium Term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing its strategy for the medium term.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholder interests

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of Key Performance Indicators (KPIs) to measure delivery of promises

Long term Business Plan

- Setting of a long term goal and agreeing on the core pillars that would deliver growth
- Target setting, scheduling activities and identifying workstreams to execute long term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams
- Approval of Annual Business Plans

Performance Measurement

Measure of performance against:

- Promises
- Annual plans and projects
- Long term initiatives
- Financial objectives

4.1.3 Project Approval Process

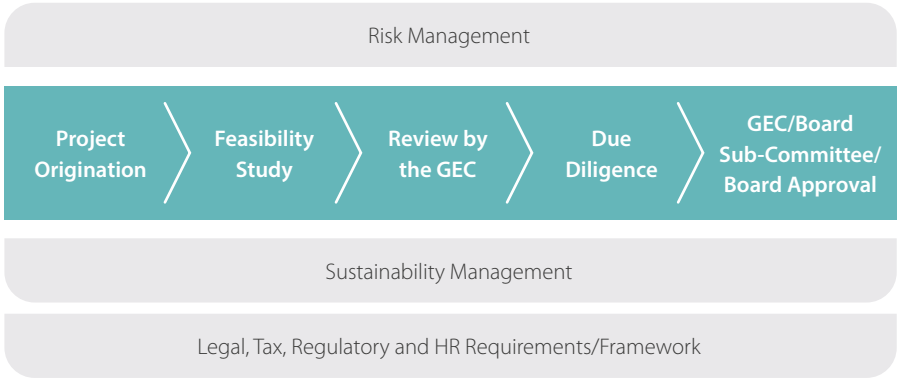
Projects undertaken at the Group entail a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations, among others.

Based on the decision rights matrix, subsequent to review by the relevant leadership committee of the feasibility report and post in-principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and State land. In case of State land, every action would be taken to ensure compliance with the relevant rules and regulations as well as obtaining written authority and approvals, as appropriate.
- Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the Group's policy on bidding on contracts and tenders. In such an event, the Company will make the required corporate disclosures.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto,

if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in early stages during the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.



"The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group."

4.2 Human Resource Governance

The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group.

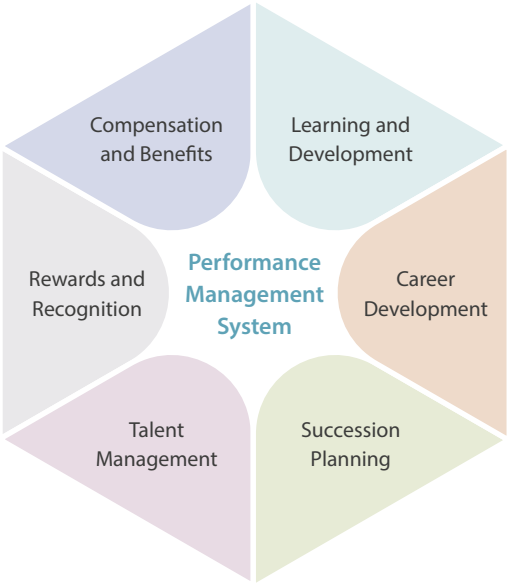
The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

4.2.1 Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/benefits.

Identification of:
- Performance rating
- Competency ratings

Identification of:
- Long term development plans
- Competency-based training needs
- Business focused training needs



Identification of:
- Chairperson's Award
- Employee of the Year
- Champion of the Year

Identification of:
- Promotions
- Inter-company transfers
- Inter-department transfers

Identification of:
- High performers
- High potential

Identification of:
- Jobs at risk
- Suitable successors
- Readiness level of successors
- Development plans
- External recruitments

Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

Key Initiatives During the Year

- The Temporary Crisis Allowance, which was originally introduced to support employees amid challenging macroeconomic conditions in January 2023, was consolidated into the basic salary as part of the annual increment cycle.
- As a response to the devastating impacts of Cyclone Ditwah, in December 2025, employees were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- The Group offers all employees 100 days of parental leave, underscoring its commitment to employee well-being, work-life balance, gender equity, and shared parenting responsibilities. During the period, 218 males and 75 females opted for 100 days parental leave.
- The Group partnered with a multinational analytics and advisory company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the Group, comprising of the GEC, GOC and heads of HR participated in a workshop to develop the teams ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.
- The Group embarked on a project to develop, articulate and institutionalise the Group Employee Value Proposition (EVP). A series of programmes and initiatives have been identified for implementation to support the EVP, with the support of a globally recognised consulting firm. The process was anchored in listening to employee voices through a Group-wide survey and focus group discussions, complemented by leadership consultations with the Group Operating Committee and the Human Resources Group Management Committee (HRGMC). Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the Group offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2, scheduled for rollout in 2026/27, will focus on taking the EVP to market and embedding it across the organisation.
- In collaboration with a global consulting company, the Group embarked on a project to review the Group's total rewards philosophy.
- The Group introduced financial well-being programmes led by internal and external experts, offering practical guidance on financial discipline and decision-making. Individual business units also implemented tailored well-being initiatives suited to their specific operational contexts.
- The Group reviewed and renewed its employee Code of Conduct to broaden its reach and content and to ensure relevance with current workplace trends and culture.

Refer the Human Capital Review section for further details – page 95.

4.2.2 Performance Based Compensation Philosophy

The JKH Group Compensation Policy is as follows:

Performance Management

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

Satisfaction

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprises of fixed (base) payments, short term incentives, and long term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under/over compensated.

4.2.2.1 Equity Sharing

Employee Share Option Plans are offered at defined career levels based on pre-determined criteria which are uniformly applied across the eligible levels and performance levels. These long term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and is seen to be a key driver of performance-driven rewards. Share options are awarded to individuals on the basis of their immediate performance and potential importance of their contribution to the Group's future plans.

The Company issues share options not exceeding a specified percentage of the total issued shares of the Company as at the date of awarding every such option, which is subject to in-principle approval of the CSE and shareholder approval, by way of a Special Resolution at a General meeting.

Awards and Accolades

» John Keells Holdings PLC was recognised as one of the 'Top 10 best employers' at the EFC National Best Employer Awards 2025.

4.3 Integrated Risk Management

JKH's Group-wide risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant Group risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The Group manages its enterprise risk, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

Continuous steps taken towards promoting the Group's integrated risk management process are:

» Integrating and aligning activities and processes related to planning, policies/procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.

» Supporting executives/managers in moving the organisation forward in a cohesive integrated and aligned manner to improve performance, while operating effectively, efficiently, ethically and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all Group risks.

» Update of the Enterprise Risk Management (ERM) platform to improve performance and include the latest features.

The Board, GEC and Group Management Committees, oversee risk management across the Group to ensure that risks are brought within tolerance, managed and/or mitigated.

4.3.1 Risk Management Process

The Group's ERM process is designed to ensure businesses are proactively identifying, assessing, and mitigating risk events. The risk management framework ensures consistency in methodology across diverse businesses and functions and follows both a top-down and bottom-up integrated approach, alongside strategic planning and decision-making. The annual cycle involves business-level risk identification and review on a quarterly basis, which is consolidated upwards at sector and industry group management committees, while Group risks are reviewed on a biannual basis by the Group Executive Committee. Risk appetite thresholds are set at a Group level and captured in the annual Group Risk Report, which also details Group-wide risk ratings, risk profile and analysis and is presented to the JKH Audit Committee where the salient aspects of this is reviewed by the Board, thereby concluding the annual risk management process. Policy level changes emerging from the discussion at the JKH Audit Committee are then incorporated in the following cycle to ensure alignment with the changing risk environment.

The risk management process and information flow is portrayed below:



Risk Management System

The Group ERM review process is facilitated through an online Enterprise Risk Management System. The system is firmly embedded across the Group, hosted internally, and controlled access is provided to all employees as relevant. The system was upgraded during the financial year to include additional features, increase user friendliness and improve overall performance.

Quarterly risk reviews are carried out via the system, with all business unit risk registers hosted online. Its functionality allows for a dynamic risk management environment, enabling analysis of ratings and movement of risks over time, access to historical data and risk reporting. The system also aggregates and records risk under the Group's ERM framework and provides an integrated approach to risk and risk mitigation across Group businesses.

Steps were taken to assist identification and categorisation of sustainability- and climate-related risks in the risk platform.

4.3.2 Key Impacts, Risks and Opportunities

The Group takes a holistic approach to risk management, covering risks that are both financial and non-financial in nature, including its own operations as well as risks that may emanate from its supply chain partners. The Precautionary Principle influences the Group's approach to risk management of environmental impacts while, management of human and social capital risks is also highlighted and prioritised.

The ERM framework operates in concurrence with the Group's corporate governance structure and is linked to sustainability, corporate social responsibility and internal audit functions and processes, ensuring that regulatory compliance, ethical guidelines and sustainability concerns are integrated seamlessly across businesses when identifying risks and opportunities.

Risk Management Framework

- Financial, strategic, operational, information technology, governance and sustainability-related risks are considered.
- All risks are categorised within a common Risk Universe.
- Headline and Related Risk classification of all Group risks to allow consistency across Group businesses.
- 5x5 risk matrix for rating of risks with respect to likelihood and anticipated impact.

Refer the Key Risks section under Outlook and Risks – page 143 and Notes to the Financial Statements – page 470 for further details.

During the year, the Group commenced the implementation of SLFRS S1 and S2 sustainability reporting standards, with the support of an international external consultancy firm. As part of this process, a comprehensive, life cycle-based value chain assessment was conducted across the Group to identify key dependencies, impacts, and sustainability- and climate-related risks and opportunities.

Based on this assessment, the Group identified and prioritised its Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs). Given this being the first year of adoption, these were assessed qualitatively, incorporating financial impact parameters and judgement-based financial materiality considerations.

The governance and management of SRROs and CRROs are aligned to the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. Further details on the Group's prioritised SRROs and CRROs, together with the related governance structures and mitigation strategies, are presented in the SLFRS S1 and S2 Disclosure section of this Report.

Refer SLFRS S1 and S2 Disclosure section for further details – page 370.

During the forthcoming year, the Group intends to quantitatively assess the financial materiality of SRROs and CRROs and integrate them into the ERM framework, based on impact and likelihood. In parallel, the ERM policy will be updated to incorporate relevant thresholds, and the Group's risk appetite and tolerance statements will be reviewed to ensure alignment.

Mitigation actions and opportunity realisation plans will be embedded within the existing ERM Risk Register, taking into account short, medium, and long term horizons. Risk ownership will be assigned to ensure accountability, and SRROs and CRROs will be integrated into the existing risk governance structure.

This integration enables risk identification at business unit level, aggregation at sector and Group levels, and oversight through established governance forums. The Group Business Process Review (GBPR) function will provide independent assurance on the implementation of mitigation actions, while the Sustainability and ERM Division will consolidate and report the Group's overall risk profile to the relevant management and Board committees.

This approach positions the Group's ERM framework within a double materiality perspective, incorporating both financial risks and risks arising from environmental and social impacts and dependencies.

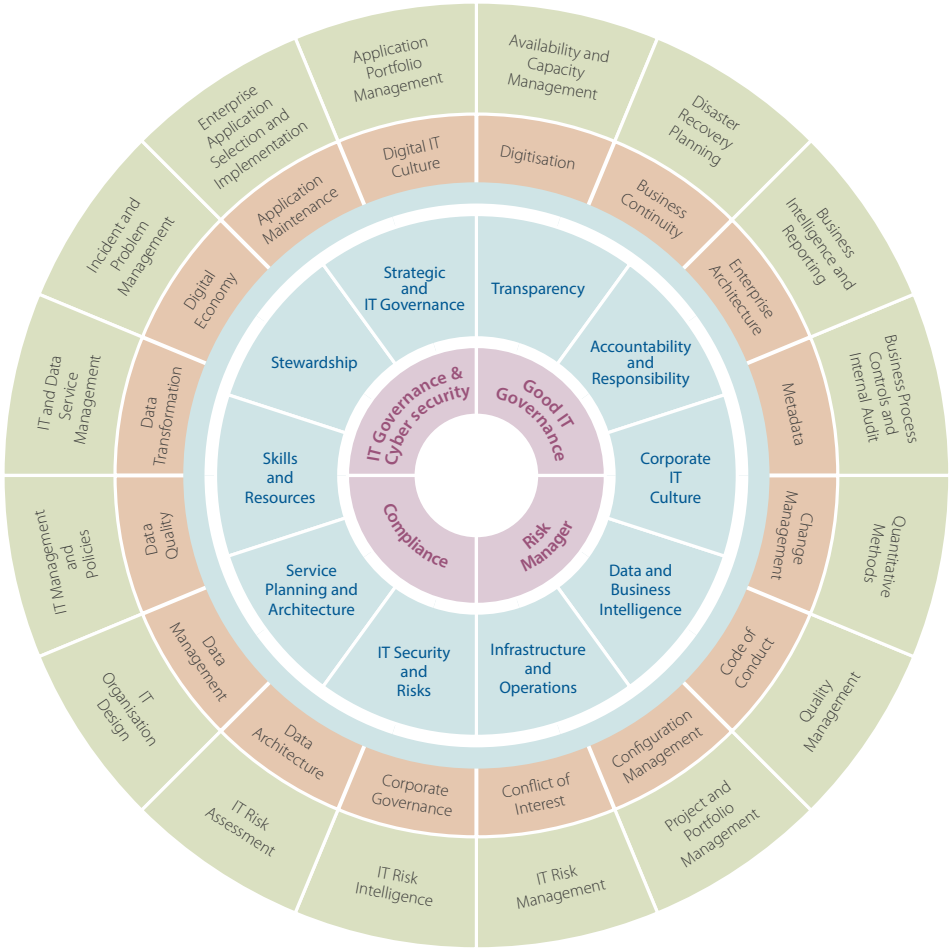
4.4 Information Technology (IT) Governance

IT governance stewardship roles are governed through layered and nested committees, cascading from the Board, GEC, GOC, the Group IT Steering Committee and to the Group IT Operations Committee with well-defined roles and responsibilities across the Group with a federated governance structure to cater to the holistic Group-level as well as specific industry level nuances. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the Group, whilst being agile and nimble.

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800,

ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/ BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), Zero Trust Framework, among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the Group. The key focus areas of the governance framework are as follows:



The Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a Zero Trust Security Model built on a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy.

Privacy, data and cybersecurity have emerged as material topics for the Group, driven by the increasing reliance on digital platforms, data-enabled processes, cloud services and interconnected technologies across its operations. While these capabilities play a critical role in enhancing customer experience, operational efficiency and decision-making, they also heighten exposure to cyber threats, data breaches, regulatory risk and potential reputational impact. Accordingly, the Group has adopted a structured, risk-based and policy-led approach to managing privacy, data and cybersecurity, supported by Group-wide governance frameworks, IT policies and risk management practices. The Group's IT governance framework is implemented as a baseline standard across all businesses and is aligned with the data security requirements of the SASB and Professional and Commercial Services Standard.

Refer Intellectual Capital Review section of the Report for further details – page 129.

Key Initiatives During the Year

Transition to SAP RISE:

- Following from the previous year, the Group advanced several strategic initiatives to strengthen governance, modernise core systems, and enhance enterprise-wide controls. A key milestone was the successful transition to SAP RISE in partnership with an international consulting firm. The transition was executed in a phased manner within the Group, establishing a standardised, cloud-enabled platform that significantly improved integration, data consistency, and operational resilience.
- The enhanced data architecture enables real-time visibility of performance, supporting faster and more informed decision-making at both management and Board level, while advanced analytics and dashboards strengthen performance management and responsiveness. The platform further streamlines processes, reduces manual intervention and enhances accuracy, control, and auditability, with improved scalability and security derived from the cloud environment.
- In parallel, the adoption of SAP Signavio will strengthen process intelligence and continuous improvement, enabling data-driven monitoring and optimisation of end-to-end processes in line with best practice and international benchmarks. This enhances standardisation, transparency, and governance, supporting improved efficiency and alignment with business objectives across the Group. The new platform addresses ~30% of the improvements and productivity enhancements which were identified through use cases prior to the migration to SAP RISE. The Group has a 'road map' of use cases and initiatives to ensure optimisation of the system through use of dashboards for reporting and monitoring of performance on a real-time basis which analytics and planning, including cash and treasury management, once implemented, will enhance the decision-making capability of the businesses.

Key Initiatives During the Year

Zero Trust Security Model:

- The Group strengthened its adoption of the Zero Trust Security Model, enhancing controls across identity, devices, networks, applications, and data.
- Key improvements during the year included enhanced identity-based access controls, strengthened network security, and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring, and policy enforcement.
- These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across the Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience. The overall threat posture of the Group declined during the year, supported by improved responsiveness in addressing and resolving alerts.

4.5 Tax Governance

The Group's tax governance framework is designed to ensure responsible tax practices and is aligned with the Group's broader ESG commitments focusing on compliance, transparency and stakeholder engagement. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- Keeping abreast with local and international tax laws and regulations to avoid non-compliance and reputational damage.
- Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

To ensure that this approach is embedded across the organisation, all business units are required adopt the Group Tax Policy on identified issues developed from time to time as tax legislation and regulatory practices evolve as part of operational and financial decision-making. The policy is documented and/or communicated through the respective heads of tax having oversight of the industry groups. This integration ensures alignment of day-to-day decisions by finance and operations teams with the Group's overall tax principles and tax related ESG commitments.

Governance Structure

- The Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- Voluntary compliance, transparency and efficient tax management are key aspects of the Group's overall tax strategy.
- This is enabled through a decentralised tax structure where expertise is built at each industry group level to oversee tax compliance and execute the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- The Head of Tax of each industry group, reporting functionally to the Group Head of Tax Strategy, ensures uniformity of interpretation, robust compliance management and rollout of Group tax strategy across all businesses.
- The Group Head of Tax Strategy provides periodic updates to the GOC and senior finance teams on significant tax matters, including risk exposures, compliance outcomes, and strategic tax positions, at the scheduled monthly meetings, ensuring executive-level accountability.

Policy and Strategy

- Ensures the following, taking into account the Group's business models, supply and value chains, structure, assets, investments and financing:
  - Integrity of all reported tax disclosures.
  - Robust controls and processes to manage tax risk.
  - Openness, honesty, and transparency in all dealings.
  - Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.
- Contribute to fiscal policy formulations constructively in the interest of all stakeholders.
- The Group's approach to tax risks follows a structured process.
  - Tax risks are identified through periodic tax risk assessments, review of transactions prior to transactions, and ongoing monitoring of relevant legislative developments.
  - These risks are managed through appropriate mitigation measures, including technical assessments, obtaining external tax opinions where necessary, and established approval processes for significant tax positions.
  - Monitoring of such risks is carried out through compliance dashboards, regular tax team meetings, and escalation of material risks to the Deputy Chairperson/Group Finance Director, GEC or the Board of Directors as appropriate.

Role	» Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions. » Analyse and disseminate business impact from changes in tax legislation. » Provide clear, timely, and relevant business focused advice across all aspects of tax. » Ensure availability of strong and well documented technical support for all tax positions. » Obtain independent/external opinions where the law is unclear or subject to interpretation. » Foster healthy professional relationships with all regulatory authorities.
Review and Monitoring	» Leverage on digital platforms to support, record and report on tax compliance status across the Group. » Continuous dialog and scheduled meetings of the Group Tax team to ensure uniformity of tax interpretation and application. » Monitored through internal controls including compliance reporting measures and, external audit reviews. » Discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale. » Quarterly updates and submissions, as applicable, to the Board of Directors on Group Tax positions. » Compliance with the tax governance framework is evaluated annually through internal and external audit reviews and periodic independent assessments, with findings and remediation plans reported to the respective Audit Committees/Group Audit Committee.

By adhering to this framework, the Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

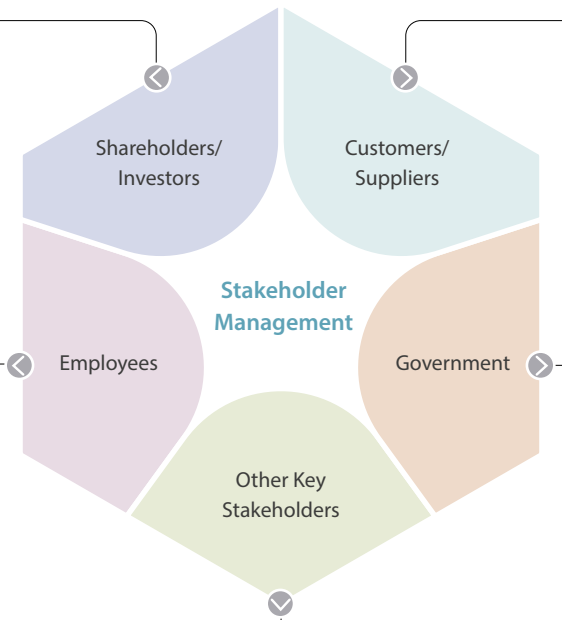
4.6 Stakeholder Management and Effective Communication

Following are the key stakeholder management methodologies adopted by the Group. The Group has multiple channels enabling effective communication, where material concerns regarding the operations of the Group are communicated to the stakeholders.

Refer the Stakeholder Engagement section and Retail industry group section for a detailed discussion.

- » Presence of an investor relations team
- » Social media presence
- » Prompt release of information to public/CSE
- » Effective communication of AGM related matters
- » Measures in place in case of serious loss of capital

- » Providing of quality and safe products
- » Constant engagement with customers
- » Procedures to ensure long term business relationships with suppliers



- » Accessibility to all levels of the management
- » Various means for employee involvement
  - Corporate Communications
  - JK Forum
  - John Keells Employee Self Service (JESS)
  - HIVE
  - Staff Volunteerism

- » Transactions in compliance with all relevant laws and regulations, transparently and ethically
- » Zero tolerance policy in ensuring that all business units meet their statutory obligations in time and in full

- » Provision of formal and sometimes informal, access to other key stakeholders

4.6.1 Communication with Shareholders

The Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, investor presentations, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a need's basis, the investor feedback form and through the Company Secretaries. These practices are supported by a dedicated Board-approved policy on corporate disclosures and shareholder relations, which ensures that information is disclosed in a timely, accurate, and transparent manner, in compliance with regulatory requirements and best practices. Mechanisms are also in place to ensure that Directors are apprised of major shareholder issues and concerns.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Investor relations webinar	Quarterly
Investor presentations	As required, quarterly at a minimum
Transcript of the investor relations webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Investors' section in the Corporate website	Continuous
Feedback surveys	As required

4.6.1.1 Investor Relations

The Investor Relations team of the Group is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, analysts and other interested parties in ensuring effective investor communication.

- The Investor Relations team has regular discussions with shareholders, as and when applicable, as well as analysts and stockbroking firms to disseminate highlights of the Group's performance as well as to obtain constructive feedback.
- The online quarterly investor forums provide stakeholders the opportunity to directly engage with the Group's Chairperson-CEO and the Deputy Chairperson/Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the Group.
- Annual investor presentations, detailing an overview of the Group and industry group's financial and non-financial performance indicators, are made available on the corporate website, to provide easier access and an in-depth insight to the overall Group.
- Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Group by contacting the Investor Relations team, Secretaries, the Chairperson-CEO or Senior Independent Director.
- Whilst the Group will assist shareholders and investors to the extent permissible, in line with applicable regulations and internal policies, individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

Awards and Accolades

- Bronze award for 'Best Investor Relations' at the Capital Market Awards 2025 of CFA Society Sri Lanka.

4.6.1.2 Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, JKH has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price-sensitive information about the Company, and where relevant the Group, is promptly communicated to the CSE, and, where appropriate, to employees, shareholders and the press. Shareholders and investors are encouraged to engage with the Company by directing questions, request for publicly available information or providing feedback relevant to Directors or Management of JKH, which may be addressed to the Company Secretary.

The Group is committed to open, transparent, and fair communication, with a strong focus on integrity, timeliness, and relevance of information. All disclosures are carefully managed to ensure accuracy, clarity, and consistency, and to prevent the creation or continuation of a false or misleading market.

4.6.1.3 Annual General Meeting (AGM)

Year of the AGM	Number of Attendees/ Proxy Holders	Shareholding (No. of Shares)	% of Total Shareholding
2024/25	82	13,533,954,630*	77%
2023/24	61	863,993,288	58%
2022/23	74	847,476,032	61%
2021/22	82	820,115,386	59%

**Number of shares increased due to the Rights issue and Sub-division of shares.*

Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the businesses of the Group. Annual Reports are made available to shareholders in electronic form. Shareholders may also elect to receive an Annual Report in printed form, which is provided free of charge.

The Company maintains records of all resolutions and applicable information upon a resolution being considered at any General meeting and provides copies upon request to the CSE and/or the SEC and communicates the outcomes of these meetings via an announcement to the CSE.

The AGM is also used constructively to engage with shareholders, with the following practices observed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time period.
- Summary of procedures governing voting at the AGM are clearly communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are available to answer queries.
- The Chairperson-CEO ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes, those for, against, and withheld (abstained) are counted.

The AGM for the year ended 2024/25 was held virtually, complying with the guidelines issued by the CSE.

4.6.1.4 Serious Loss of Capital

In the unlikely event that the net assets of a company fall below half of its stated capital, shareholders will be notified, and the requisite resolutions would be passed on the proposed way forward.

4.6.1.5 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company seeks shareholder approval, either via special or ordinary resolutions at an Extraordinary General Meeting (EGM), for transactions and events that are material to the Group or Company, in accordance with applicable law and the Articles of Association.

During the year under review, shareholder approval was obtained for the Employee Share Option Plan 12 by way of a special resolution at the EGM held on 27 June 2025, with the outcome promptly announced to the CSE following the conclusion of the meeting.

4.7 Sustainability Governance

The Group remains committed to responsible business practices and the integration of environmental, social and governance (ESG) considerations into its operations. Sustainability is a strategic priority and is integrated within the business operations through the Group's overarching Sustainability Management Framework (SMF).

The Group's SMF involves annual internal materiality assessment which are from the reporting year carried out on a double materiality basis, independent stakeholder engagements that occur approximately biennially. The outcomes of these engagements enable the group to identify its impact and financial materiality topics. The Group's SMF requires the review and development of policies, procedures and standard operating procedures to manage the material topics, as well as the integration of financial material topics within the Group's Enterprise Risk Management (ERM) process. Key Performance Indicators are then established to track and monitor the performance of the material topics which are based on the GRI Standards to capture impact materiality-based performance, and the Sustainability Accounting Standard Board (SASB) Standards and scenario analysis to capture financial materiality-based implications on the Group's financial statements.

The Group has implemented a sustainability performance management system which enables the collection of data at business unit level, including any critical concerns, which is then consolidated and presented to the GEC, the GMCs and the GOC on a quarterly basis for performance review and course corrective action.

Sustainability Initiatives are identified based on the Group's current performance and the desired performance, thereby ensuring that the Sustainability Initiatives identified have a return on investment from a sustainability perspective. The SMF concludes its annual cycle with external and internal assurance, and the development of a communication of a progress report in line with the GRI Standards, SLFRS Standards and the UNGC principles.



CORPORATE GOVERNANCE COMMENTARY

The Group's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance, and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

Pursuant to the adoption of SLFRS S1 and S2 - the sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka - the Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group-wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

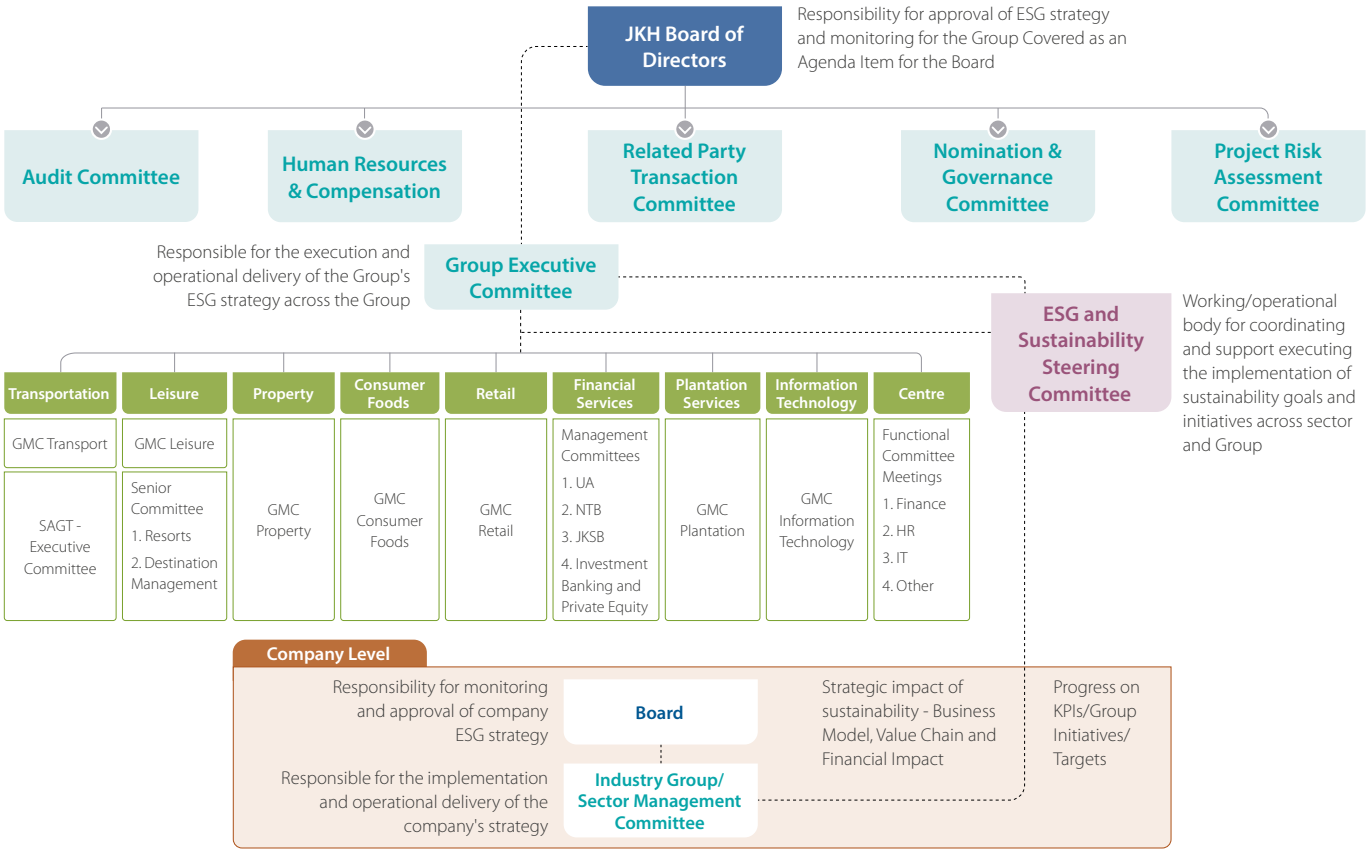
During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, amounting to over 25 such sessions across the Group, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes. These sessions were attended by key stakeholders, including the Deputy Chairperson/Group Finance Director, members of the Group Executive Committee, and representatives from the Sustainability, Risk, Corporate Finance, and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability-related disclosures.

To strengthen governance and strategic oversight, the Group established a ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability-related impacts, risks, and opportunities, including sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the GEC for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and S2 as the Group progresses towards full implementation.

The Board holds ultimate responsibility for overseeing of the Group's sustainability impacts on the economy, environment and people, sustainability- and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Group's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and industry group level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.

Governance structure of the ESG and Sustainability Steering Committee:



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

4.7.1 Governance: Roles, Mandates, Procedures

Responsibilities for the oversight of the SRROs/CRROs, as well as broader sustainability impact, are embedded within Group's governance framework and formalised through the Board Charter, GEC and the terms of reference of the ESG and Sustainability Steering Committee, together with the relevant policy documents.

These responsibilities extend to the governance and management of material sustainability impacts identified through the Group's double materiality assessment, with impact materiality considered as the starting point for identifying related risks and opportunities.

Aligned with the Group's corporate governance framework, the Board has delegated primary responsibility for the implementation and management of the Group's impacts and CRROs/SRROs to the GEC (which includes Executive Directors of the Group).

Such delegated responsibilities seek to ensure the effective execution and monitoring at management level while ensuring that the Board retains clear oversight of the Group's impact on the environment, society and economy as well as the sustainability- and climate-related risks and opportunities arising from the Group's activities. This governance framework supports the alignment with both the Global Reporting Initiative's (GRI) impact materiality focusing on broad range of stakeholder groups, and the SLFRS S1 and S2 requirements on financial materiality focusing on investors and primary users of financial reports.

The governance structure ensures that the sustainability impacts on the economy, environment and society as well as SRROs/CRROs are embedded in operational decision-making, resource allocation and Group-wide performance management, while maintaining appropriate Board-level oversight.

Performance related to the Group's material sustainability impacts, SRROs/CRROs together with the effective mitigation actions and related metrics are communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level on a timely basis. Impact-related information, including material impacts identified across the value chain, is communicated through the same reporting mechanism, ensuring a unified governance and escalation framework for impacts, risks and opportunities.

The ESG and Sustainability Steering Committee will meet periodically and report to the GEC, highlighting key outcomes, recommendations, follow-up actions and emerging regulations and frameworks related developments relevant to sustainability- and climate-related matters.

4.7.1.1 The Board

The Board of Directors is responsible for overall governance and oversight of the Group's sustainability topics that have an impact on broader stakeholder groups, as well as the SRROs and CRROs, as set out in the Board Charter. The Board's responsibilities include:

- Overseeing the strategic direction and material sustainability impact topics, SRROs/CRROs, and considers their implications for long term value creation, approving related major sustainability commitments, including the climate ambitions and transition plans, and governance actions where required.
- Reviewing sustainability impacts, impact management and mitigation strategies, and SRROs and CRROs at Board meetings held quarterly, ensuring alignment with the Group's strategic direction and evolving external expectations.
- Ensure adequacy of systems, policies, controls and capabilities to facilitate timely flow of decision-useful to the Board relating to sustainability impacts, SRROs and related performance metrics.

4.7.1.1.1 Information flow and frequency

The Board receives regular and structured information, primarily through the GEC, unless otherwise noted. These include:

- Quarterly reports on sustainability disclosures, internal controls and assurance outcomes.
- Consolidated Sustainability and ESG reports from the ESG and Sustainability Steering Committee via Board Papers.
- ERM reports incorporating climate-related risks within the Group risk register.
- Dashboards, sector summaries and ad hoc briefings on significant regulatory developments, sustainability matters or ESG-related incidents.

Historically, the Board has overseen sustainability impact management through the approval of Group policies, impact-based KPIs and oversight of capital allocation and operational initiatives. As the Group's climate ambitions are being developed, the Board's current focus includes assessment of emerging climate risks and integration of climate considerations into long term strategic planning. The Board will review and approve the Group's climate ambitions and transition plan upon completion.

4.7.1.1.2 Skills and expertise

The Board's collective expertise across finance, strategy, risk management, governance, operations, technology and regulation, supported by structured briefings from the GEC, training programmes and engagement with external subject matter specialists, ensures robust oversight of the Group's impact management and SRROs/CRROs.

Following the implementation of SLFRS S1 and S2, the Group has further strengthened its sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes. This has involved sustained engagement with management and cross-functional teams, dedicating significant time to building organisational understanding and capabilities, and establishing the foundational building blocks necessary to support robust, consistent and decision-useful sustainability reporting.

In parallel, the Deputy Chairperson/Group Finance Director has participated in targeted training and knowledge-sharing engagements with external consultants and members of international sustainability standard-setting bodies, thereby further strengthening the Board's collective understanding of, and oversight over, evolving sustainability reporting and governance developments.

Refer the Board Profiles section for further details. – page 295.

4.7.1.2 Group Executive Committee (GEC)

In line with the Group's Operating Model, as further outlined in the Corporate Governance Commentary of this Report, the Board has designated the GEC as the principal governance body with delegated decision-making authority for the management and mitigation of sustainability impacts and SRROs/CRROs. The GEC ensures that sustainability impacts and SRROs/CRROs are appropriately incorporated into its meeting agenda for regular discussion and consideration.

The responsibilities of the GEC includes:

- Overseeing the Group's sustainability and ESG framework; including the approval of strategies, targets, policies and key sustainability disclosures.
- Ensuring integration of sustainability impact mitigation and SRROs/CRROs into strategic planning, ERM and long term value creation initiatives.
- Reviewing recommendations from the ESG and Sustainability Steering Committee to monitor and manage material stakeholder expectations, regulatory requirements and recognised good practice.
- Evaluating whether material sustainability impacts, dependencies and SRROs/CRROs are appropriately reflected in the Group's risk management framework and business strategy.
- Overseeing the integrity, completeness and consistency of internal and external sustainability reporting and ESG disclosures.

4.7.1.2.1 Information flow and frequency

The GEC receives structured quarterly updates on sustainability impacts, SRROs/CRROs, mitigation progress and related performance metrics; In addition, GEC receives annual updates on outcomes of materiality assessments, assurance requirements and key stakeholder insights. These updates are prepared by the ESG and Sustainability Steering Committee with inputs from the relevant sector GMCs.

4.7.1.2.2 Skills and expertise

The GEC draws on the collective strength of its members, including expertise in governance, financial oversight and strategic leadership. Its competence is reinforced by structured updates from the ESG and Sustainability Steering Committee, including the inputs from the Sustainability function and the Working Groups on ambitions, as well as targeted capacity-building initiatives aligned to evolving priorities.

The GEC remains current with emerging sustainability- and climate-related regulations, voluntary standards and reporting developments and, where specialist input is required, engages internal and external subject-matter experts. These arrangements enable the GEC to effectively evaluate material sustainability impacts and SRROs/CRROs, oversee execution of the Group's sustainability agenda, and to support robust, consistent and reliable sustainability and ESG disclosures.

Refer the Management Profiles section for further details – page 299.

4.7.1.3 ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating and operationalising the Group's sustainability and climate agenda. The Committee receives relevant information and updates from the Sustainability and ERM function as well as the respective sector level GMCs, as applicable.

The ESG and Sustainability Steering Committee is headed by the Deputy Chairperson/Group Finance Director. The committee convenes at least once a quarter or at appropriate intervals and otherwise as required.

The responsibilities of the ESG and Sustainability Steering Committee includes:

- Consolidating value-chain and life-cycle analyses across sectors to identify key dependencies, impacts, risks and opportunities.
- Recommending Group-wide sustainability and ESG strategies, policies and targets to the GEC and Board for review and approval and supporting execution across sectors and functions.
- Monitoring Sustainability impacts and ESG/climate risks and opportunities, including reviewing the outcomes of impact and financial materiality assessments, and emerging sustainability-related issues.
- Assessing the effectiveness of the sustainability governance structures, processes and controls; and supporting stakeholder engagement and disclosure readiness.
- Supporting compliance with Group-wide Sustainability and ESG policies, codes of conduct and relevant external standards.
- Ensuring that key stakeholder insights are appropriately reflected in the Group's sustainability priorities and decision-making.
- Reviewing disclosure readiness, including the adequacy of Sustainability and ESG-related reporting, and ensuring that relevant policies remain current, effective and fit for purpose.
- Reviewing the need for internal and external assurance over ESG-related matters and overseeing Group-level assurance arrangements, where applicable.
- Supporting the integration of ESG and sustainability objectives into performance management and evaluation frameworks across the Group.
- Adopting a Group-wide view of ESG resourcing and funding requirements and making recommendations to the GEC accordingly.

4.7.1.3.1 Information flow and frequency

The ESG and Sustainability Steering Committee receives quarterly dashboards and formal reporting from Sector level GMCs to coordinate Group-level oversight, including Group-level risk reporting, sector ESG performance reviews, and updates on sustainability and ESG-related disclosures, metrics, targets and methodologies.

4.7.1.3.2 Skills and expertise

The ESG and Sustainability Steering Committee maintains and strengthens its collective competence through a combination of strong professional expertise and continuous development. This includes periodic briefings on emerging sustainability, climate and regulatory developments; participation in targeted training and internal capacity-building programmes; and engagement with internal and external subject matter experts. Drawing on access to multidisciplinary technical and sustainability knowledge within the Group, the Committee ensures that its approach to impact mitigation, target-setting, metrics, methodologies and disclosure requirements remains current and robust. This enables the ESG and Sustainability Steering Committee to effectively identify, assess and oversee the implementation of strategies to manage and mitigate sustainability-related impacts, risks and opportunities, review performance against established targets, and provide well-founded, informed recommendations to the GEC.

4.7.2 Management's Responsibilities and Role

Management is responsible for operationalising the Group's sustainability impacts and sustainability- and climate-related strategies and initiatives through defined committees, reporting lines and internal controls. Execution is delegated to sector level GMCs, with oversight exercised through structured reporting as outlined previously.

4.7.2.1 Delegation and Oversight

Execution of sustainability impact management strategies, and sustainability- and climate-related strategies and initiatives, is delegated to the industry group/sector level GMCs at a business level.

These GMCs play a central role in the Group's sustainability governance architecture by serving as the leadership bodies responsible for embedding sustainability impact management, SRROs/CRROs into operational and strategic decision-making. Their primary responsibility is to translate the Group's material Sustainability topics, ESG and climate ambitions set through the ESG and Sustainability Steering Committee, guided by GEC oversight and Board approval, into actionable, sector-specific strategies.

The responsibilities of GMC's include:

- Translating Group level sustainability priorities into sector-specific plans and roadmaps, by embedding long term sustainability value creation objectives and considerations into the sector business plan, budgets, operational enhancements and resource allocation decisions with clear ownership, timelines and performance indicators.
- Identifying SRROs and CRROs across the sector value chain; assessing associated sustainability impacts; and defining appropriate mitigation, adaptation or opportunity capture. This process is informed by business-level value chain and life-cycle assessments and supported by senior management review and approval.
- Monitoring emerging regulatory, market and technological developments; assessing implications for the sector; and strengthening readiness through targeted training and capacity-building initiatives, supported by documented policy and regulatory readiness tracking.
- Proposing sector level goals, targets and KPIs for Group-level consideration; establishing baselines and measurement methodologies; tracking and reporting progress; and validating the completeness, accuracy and credibility of sector data and supporting documentation to enable assurance readiness.
- Ensuring that sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment and key implementation dependencies, with documented trade-offs and mitigation measures presented for decision-makers.
- Reviewing sector sustainability reporting inputs and escalating material matters, including significant impacts, incidents, emerging risks or material deviations, in accordance with established reporting and escalation procedures.

The GMCs will take these sustainability-related matters up at least quarterly with the above responsibilities forming standing agenda items.

Oversight of business level execution is exercised through a structured escalation framework as follows:

- Sector GMCs submit quarterly updates to the ESG and Sustainability Steering Committee covering sector performance, sustainability impacts, changes in SRROs and CRROs, emerging issues and progress against key deliverables.
- The ESG and Sustainability Steering Committee consolidates sector insights, applies cross-Group consistency checks, and elevates material matters and recommendation from a double materiality perspective to the GEC.
- The GEC reviews material items and strategic implications and escalates issues to the Board where strategic direction or significant decisions are required.

This governance approach ensures that sector-level execution remains closely connected to Group-level oversight and decision-making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision useful sustainability- and climate-related disclosures.

4.7.2.2 Controls and Procedures

Sustainability impacts, and sustainability- and climate-related information, are identified and captured at the business unit level and channelled through a defined reporting pathway, assessed from both an impact and financial materiality perspective, are escalated in accordance with the Group's sustainability governance framework and ERM processes. Management uses formal controls and procedures to support effective oversight of the Sustainability Management Framework, integrated ESG data management systems, internal audit and assurance processes, cross-functional coordination mechanisms, and standardised risk identification, assessment and reporting practices. These controls are designed to support data quality, consistency, accountability and decision readiness across the governance structure.

4.7.3 Integration into Strategy and Decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the Group's overall strategy, major decisions and Group risk management framework and impact mitigation activities. In doing so, the Board considers how these matters may influence the Group's business model, its corporate responsibility efforts ensuring that impacts on the economy, environment and society are managed, ensuring organisational resilience and long term value creation, and ensures they are addressed through appropriate governance, policies and management actions.

The GEC assesses sustainability impacts, CRROs and SRROs when developing and refining the Group's strategic priorities. This includes evaluating how sustainability impacts, CRROs and SRROs may affect long term competitiveness across business units, considering opportunities related to energy efficiency, resource optimisation, and emerging regulatory expectations and assessing the readiness of business units to support future climate ambitions, whilst ensuring responsible business operations meeting the expectations of a broad stakeholder groups including but not limited to investors.

When evaluating material investments, the GEC assessment will include exposure to physical and transition climate risks, potential impacts on operating costs, asset resilience, and long term value and alignment with emerging climate-related commitments. These evaluations also consider material impacts on society and the environment, including potential trade-offs between short term financial performance and longer term impact-related outcomes.

The ESG and Sustainability Steering Committee translates Group priorities into sector-level actions, decision inputs and performance monitoring. It provides the GEC with structured analysis by consolidating cross-functional insights from operational leaders and functional experts (including finance, risk, legal/compliance, HR and operations), ensuring recommendations reflect both execution realities and governance expectations.

In practice, the ESG and Sustainability Steering Committee supports strategy by:

- supporting sector plans and key initiatives to ensure they are aligned to Group Sustainability and ESG priorities and identifying delivery gaps.
- assessing emerging SRROs and CRROs and translating these into clear implications for business plans; and
- ensuring that material investment include decision-useful sustainability inputs - such as key impacts on broader stakeholder Groups, SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations, and proposed mitigation strategies.

When material investments are reviewed, the ESG and Sustainability Steering Committee applies a consistent evaluation lens to surface what management needs to address before decisions are taken - e.g. impact to key stakeholders, society and the environment, organisational resilience considerations, cost and feasibility implications, delivery dependencies and reporting requirements. The ESG and Sustainability Steering Committee also supports the quality of trade-off discussions by setting out practical options and helping decision-makers balance short term performance with longer term commitments and risk exposure.

4.7.4 Targets, Monitoring, and Remuneration

The Board of Directors oversees the development of targets related to the Group's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the GEC in collaboration with the ESG and Sustainability Steering Committee and sector GMCs, who are currently leading the development of the Group's sustainability impact targets including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus through the ESG and Sustainability Steering Committee is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates provided to the Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Group has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

The Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Group's climate ambitions, and transition pathways are developed by the ESG and Sustainability Steering Committee and approved following the Group approval matrix.

5 ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The Group also conducts internal and external audits on a periodic basis, with a minimum frequency of one per year.

As outlined in the ensuing sections, the Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required.

5.1 Key Internal Policies

The integrated governance systems and procedures and the various frameworks as discussed under Section 4 of this Commentary are operationalised and sustained through a comprehensive set of internal policies and implementation procedures established by the Group. The Group maintains a robust set of internal policies and implementation procedures and any changes to such polices shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson-CEO or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the JKH Group

- Policy on Conduct and Business Ethics supported by the:
  - Code of Conduct, encompassing policies on gifts, entertainment, facilitation payments, the protection of proprietary, confidential and personal information, insider trading and conflicts of interest.
  - Supplier Code of Conduct, outlining expected adherence to applicable legal requirements, governance standards, ethical business practices, and responsible conduct in alignment with the Group's values.
- Policy on Corporate Governance
- Policies at a Board level, including the Policy on Matters Relating to the Board of Directors (BoD), Policy on Board Committees and Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on diversity, equity and inclusion, including a gender policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Recruitment and selection, rewards and recognition, and learning and development polices
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Policy against sexual harassment
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies which includes the Policy on Control and Management of Company Assets and Shareholder Investments and the Policy on the Engagement of the External Auditor for Non-Audit Services
- Policies on fund management and foreign exchange risk mitigation
- Environmental, Social and Governance (ESG) and Sustainability Policy and the Group's sustainability policies including policies on energy, emissions, water, waste management and biodiversity conservation
- Policies on products and services
- Policies on Information Technology (IT), classification of information assets, Personal Data protection and security
- Enterprise Risk Management and Internal Controls Policy
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Policy on Corporate Disclosures and Relations with Shareholders and Investors
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

The Group's policies are available to all employees via the Group's employee portal, and such policies are made available to the shareholders upon a written request. These policies are approved by the GEC with Board oversight.

During the year under review, the Group strengthened its ESG and Sustainability Policy in alignment with the implementation of SLFRS S1 and S2 disclosure requirements. The policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards. No other material changes were done to the Group policies during the reporting period, and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review.

Strengthening of Group's ESG Policy

During the year under review, the Group strengthened its Environmental, Social and Governance (ESG) and Sustainability Policy in alignment with the implementation of SLFRS S1 and S2 disclosure requirements. The policy was updated to reflect the governance, accountability and process enhancements introduced as part of this implementation, including further clarity on the Board oversight of sustainability- and climate-related risks and opportunities, strengthened management ownership and accountability, and the integration of climate-related risks into the Group's Enterprise Risk Management framework.

In addition to aligning with SLFRS S1 and S2, the policy was further refined to incorporate the principles of double materiality, enabling the Group to systematically consider both the financial impacts of sustainability- and climate-related risks and opportunities, as well as the Group's impacts on the economy, environment and society. The update also incorporated the adoption of more standardised metrics and reporting processes.

Collectively, these enhancements support a more structured approach to the identification, assessment and management of sustainability- and climate-related impacts, risks and opportunities, while embedding both impact and financial materiality considerations into strategic decision-making and disclosures.

5.1.1 The Code of Conduct

The Code of Conduct acts as a vital conduit between the Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework.

During the year the Group revisited and updated its Code of Conduct to provide employees with a clearer, more comprehensive, and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements, and emerging environmental and workplace considerations. The updated Code addresses issues most relevant to employees and reinforces the Group's core values of Integrity, Trust, Excellence, Caring, and Innovation, promoting ethical behaviour, accountability, and a culture of responsible business practices across the organisation.

The Code of Conduct is incorporated as part of the contract of employment of every employee. For new joiners in the executive and above levels, the content of the Code of Conduct and Group policies is covered via an induction to the Group and a mandatory e-learning module whilst copies of the Code are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

The objectives of the Code of Conduct are strongly affirmed by the strong set of values and four key principles, which are enumerated below, and are well institutionalised at all levels within the Group through structured communication.

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public and personal transactions.

Employee alignment with these values and key principles, as well as their adherence to the JKH Code of Conduct, are integral factors in the Group's reward and recognition programmes.

There were 24 reported incidents of fraud, 18 of which resulted in employee terminations. The majority of these incidents were reported from the Supermarket business.

The Group Values continue to be consistently referred to by the Chairperson-CEO, Presidents, Sector and Business Unit Heads during employee and other key stakeholder engagements, in order to instil these values in the DNA of the employees.

Refer the Business Model section for Group Values – page 48.

Ethical Business Practices of the Group

- Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The Group has a zero-tolerance policy towards bribery and corruption.
- Stringent checks during the recruitment process ensures that minimum age requirements are met.
- The Group Business Process Review (GBPR) audits processes, systems, and people-related controls are susceptible to corruption. No process-level gaps indicating significant corruption risk were identified during the year.
- Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
- Committed to upholding the universal human rights of all its stakeholders.
- Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion or any other difference.

Deep-dive into Giving and Receiving Gifts, Favours and Entertainment

The Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any modest gifts or tokens of appreciation, whether given or received, are permitted when aligned with business exigencies and provided they are well-intentioned, without ulterior motives or personal gain. All such gifts must be approved by the supervisor and reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) for clearance and are centrally recorded and monitored.

5.2 Senior Independent Director (SID)

The Senior Independent Director serves as a key point of contact for shareholders and Board members, providing independent oversight, supporting the Chairperson, and addressing any concerns that may arise regarding the leadership or governance of the Board.

Refer the Senior Independent Director section for further details – page 325.

5.3 Chairperson Direct

The Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

5.4 Board Committees

The Board Committees play an important supervisory and monitoring role by focusing on the designated areas of responsibility passed to it by the Board.

Refer the Board Committees section for further details – page 315.

5.5 Employee Participation in Assurance

The Group is continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication - top-down, bottom-up, and lateral - in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the Chairperson-CEO and the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson Direct
- Ombudsperson
- Access to Senior Independent Director
- Continuous reiteration and the practice of the Open-Door policy

Additionally, the Group continued with its policies on whistle-blowing and securities trading. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

5.6 Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

5.6.1 Internal Compliance

A quarterly self-certification programme requires the Presidents, Sector Heads and Chief Financial Officers of industry groups to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

5.6.2 System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

"The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds."

Initiatives to Strengthen Internal Controls

- In alignment with the Group's migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.
- Strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation, and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- In parallel, a structured review of key operational processes was initiated - including Order-to-Cash, Procure-to-Pay, and Record-to-Report cycles - to identify opportunities for automation, digital reengineering, and improved data integrity across shared services, reinforcing the Group's commitment to data-driven decision-making and responsible governance.
- Enhanced its Business Continuity Management (BCM) framework, adopting a structured, process-driven approach to safeguard operational resilience and protect stakeholder interests, while aligning with globally recognised standards such as ISO 22301:2019 and best practices recommended by Disaster Recovery Institute International (DRI). The framework incorporates proactive risk mitigation measures, regular testing, and governance oversight to support the uninterrupted functioning of critical operations during periods of disruption.
- Continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 9 of 2022, aligning practices with internal data protection principles and globally recognised standards.
- Dedicated Data Protection Officers (DPOs) are in place across industry groups, with oversight of data protection practices within their respective domains. DPOs report to Sector Data Governance Leads and Presidents and are supported by a Data Governance Steering Committee, which provides strategic direction and oversight. Building on the previously completed gap analysis by external consultants, the Group continued to enhance its technical, security, and organisational controls during the year. Compliance is monitored through structured reporting channels, with regular updates submitted by DPOs and periodic reporting to the Audit Committee on compliance status, emerging risks, and ongoing improvements.

The Group also continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

Refer Intellectual Capital Review section for further details – page 129.

The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/ functional unit levels and, after review by the Sector Head and the President of the industry group, are forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

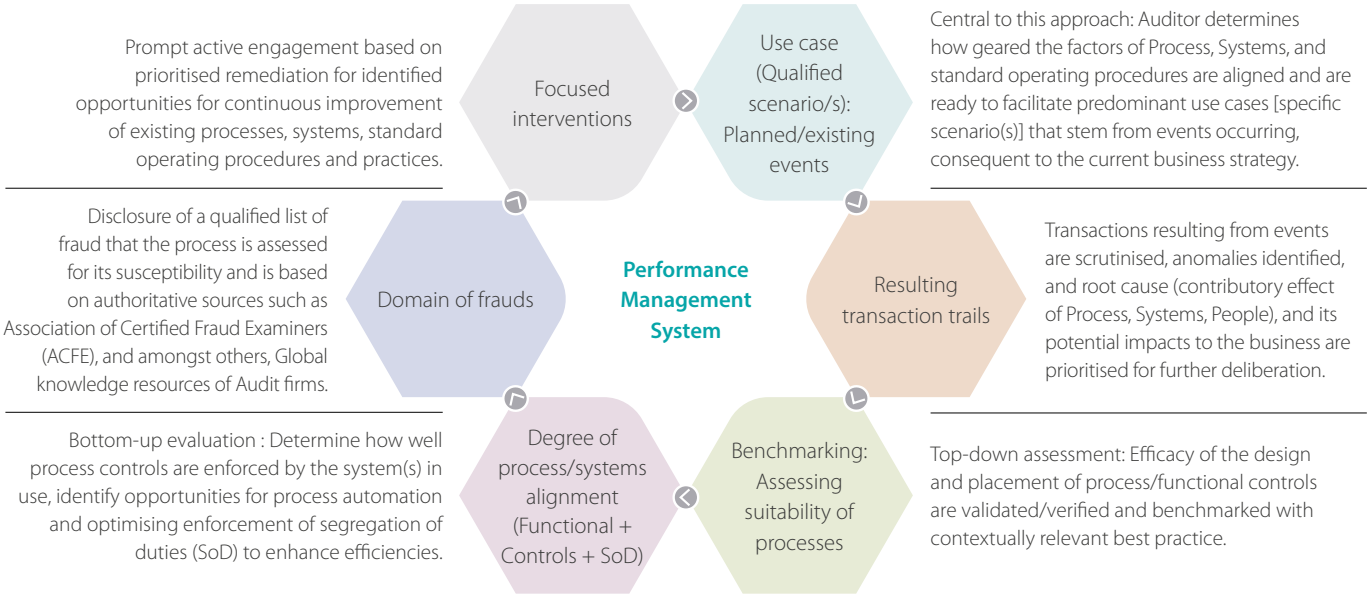
5.6.3 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The Group recognises the importance of ensuring that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages. With growing reliance on information technology and integrated financial controls, there is an increased risk of unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risks is then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

5.6.4 Internal Audit

The following diagram provides a helicopter view of the Internal Audit Approach that has been rolled out within the Group. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.

The new internal audit approach: Continuous emphasis on context



Whilst there are merits and demerits associated with outsourcing an internal audit, the Group is of the view that having an external based auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the external auditor.

5.6.4.1 Forensic Data Analytics to Identify Anomalies and Facilitate Behavioural Oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Group operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years, and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

Forensic Data Analytics

The Group continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well-established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity.

A critical success factor of this oversight mechanism is the deployment of advanced machine learning algorithms that are continuously calibrated to reflect the operating conditions of each business. This enables the system to remain relevant and insightful, enhancing its effectiveness in supporting Continuous Controls Monitoring (CCM), enabling early detection of anomalies, and creating opportunities for optimisation and proactive intervention.

As part of this initiative, the Group continues to enhance its Forensic Data Analytics platform for automated Transaction Outlier Detection, which monitors datasets relating to accounts payable, accounts receivable, the general ledger, and other financial transactions. The system detects anomalies and routes alerts to Management for timely review and response, functioning as a robust oversight tool that helps deter fraud while further strengthening the overall control environment.

"The Group continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well-established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity."

5.7 Ombudsperson

The Group has appointed an Ombudsperson to serve as an independent, impartial, and confidential channel for addressing complaints, disputes, or grievances raised by employees, stakeholders, or other parties in relation to alleged violations of the Code of Conduct. The Ombudsperson complements existing mechanisms such as Chairperson Direct and formal whistleblowing channels and may be approached where concerns are not addressed satisfactorily through internal processes.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson-CEO or to the Senior Independent Director upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson-CEO or the Senior Independent Director, as the case may be, will place before the Board:

i. the decision and the recommendations.
ii. action taken based on the recommendations.
iii. where the Chairperson-CEO or the Senior Independent Director disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson-CEO or the Senior Independent Director is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The Ombudsperson also provides periodic reports to the Board or the Audit Committee, including a summary of the number and nature of complaints received, investigation outcomes, and recommendations for systemic improvements, without disclosing personal or confidential information unless required by law. Safeguards have been established to ensure that complainants are not subjected to victimisation for invoking this process.

The current Ombudsperson is an attorney-at-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the Board.

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO and those to whom this authority has been delegated.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15 May 2026, being the date of this report.

No other issues that fall under the purview of the Ombudsperson have been brought to the attention of the Ombudsperson during the financial year that would indicate mismanagement, unfair treatment, or justified discontent on the part of any employee or ex-employee.

Ombudsperson
15 May 2026

5.8 External Audit

Ernst & Young are the external auditors of the Company as well as many of the Group companies. The individual Group companies also employed KPMG as an external auditor. The appointment/re-appointment of these auditors was recommended by the individual Audit Committees to their respective Boards of Directors.

The Audit Committee, comprising majority of Independent Non-Executive Directors of JKH, annually review the appointment of external auditors and recommend the appointment of auditors for shareholder approval at the Annual General Meeting. The Committee has recommended retaining Ernst & Young as the Group lead consolidating auditor given the various complexities of the Group and related nuances. The Auditors maintain independence through routine rotation of partners.

The audit fees paid by the Company and Group to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

6 GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Operating in a volatile and evolving global geo political and local socio economic environment, the Group recognises the importance of maintaining a strong and effective corporate governance framework. Robust governance underpins accountability, transparency, fairness and sustainable value creation for stakeholders. The Board continues to assess governance readiness against emerging internal and external challenges, while aligning practices with global best standards. The key governance focus areas and challenges being continuously addressed by JKH are outlined below.

6.1 Board Diversity and Succession Planning

JKH values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy. Considering the diversity of the Group and the institutional knowledge, proactive succession planning of the Board and, more importantly, key executive leadership will enable continuity of strategy, governance and culture of the business.

6.2 Board Independence

Board independence remains a cornerstone of the Group's governance framework and is fundamental to stakeholder confidence. Effective governance structures, nomination processes and safeguards are in place to promote objective decision-making and minimise conflicts of interest. The Group continues to strengthen independence through balanced checks and assurance mechanisms, while ensuring alignment with its diversified conglomerate operating model.

6.3 Beneficial Ownership of the Company

While the Group does not have a controlling shareholder or any shareholder interest represented on the JKH Board, the Group recognises that beneficial ownership disclosure is critical to transparency and stakeholder trust and has proactively begun collating and preliminarily verifying relevant information. The Companies (Amendment) Act No. 12 of 2025 introduced mandatory beneficial ownership requirements effective from 30 March 2026 onwards. The Group continues to engage with shareholders and monitor regulatory developments to ensure full compliance with the framework.

6.4 Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance

The Group enforces a zero-tolerance stance on fraud, bribery, corruption, and financial crime through its Code of Conduct and comprehensive compliance policies. Ongoing monitoring and remediation processes support ethical conduct and behaviours.

Given the nature and business model of most of the significant industry groups, there is no material regulatory exposure to the Group; nevertheless, the Group maintains continuous and proactive engagement with the relevant authorities to ensure ongoing compliance. During the year, no issues were raised by the authorities and no sanctions or penalties were levied. The secretarial arm of the Group implemented all recommendations arising from such engagements in a timely manner, further strengthening governance and compliance processes.

The Group continues to work with the Financial Intelligence Unit of Sri Lanka, as applicable, to further strengthen its compliance framework and enhance monitoring and coordination in the implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising the broader implications for the country.

6.5 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among investors, regulators and other stakeholders. The Group integrates ESG factors into strategy, operations and decision-making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH implemented the standards during the year under review.

6.6 Continual Strengthening of Internal Controls

The Group continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with international best practice. These initiatives are intended to improve efficiency, enhance oversight, strengthen fraud detection and prevention, and enable data driven monitoring and compliance. The implementation of SAP RISE and the related system enhancements will also facilitate further improvement in the Group's internal control and monitoring environment.

Refer Section 5.7. 2 of this Commentary for initiatives during the year aimed at strengthening internal controls – page 346 and Section 4.2 for initiatives on IT Governance – page 333.

6.7 Digital Oversight and Cyber Security

As digitalisation expands across operations, the Group recognises increased exposure to cyber and technology related risks. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

6.8 Data Protection, Information Management and Adoption

The Group embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 9 of 2022. Governance is supported by robust policies, security controls, role-based access, training, and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee. Continuous enhancements are guided by external assessments and regulatory developments, and no substantiated customer data breaches or data losses were reported during the year. The requirements under data protection laws will necessitate businesses to devise their strategies and stakeholder engagements in a manner that complies with the law while enabling better insights and understanding of its stakeholder needs.

6.9 Greater Employee Involvement in Governance

The Group recognises employees as a critical pillar of effective governance. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

6.10 Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practice and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision-making. The Group continues to enhance transparency in a manner that prioritises material information and long term value creation.

6.11 Geopolitical Risk and Resilience

Global volatility and heightened geo-political risks have required businesses to reinforce risk management processes. While Sri Lanka has developed the necessary macroeconomic buffers to withstand external shocks, more frequent or prolonged global volatility will create the need for building resilience in the business model and value chains of corporates. Given the experience from the economic crisis, certain business resilience plans are in place while the emerging global trends will need to be continuously monitored to assess the impact on the country and the macro environment.

7 COMPLIANCE SUMMARY

The Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka, Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company, and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

7.1 Statement of Compliance Pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	Reference (within the JKH Annual Report)
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Group Directory
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Group Directory
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/ Annual Report of the Board of Directors
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to subsidiaries	Yes	Financial Statements/ Annual Report of the Board of Directors

7.2 Statement of Compliance under Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	Reference (within the Corporate Governance Commentary or the JKH Annual Report 2025/26)
Section 7.5			
a (i)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Independent Auditor's Report and Independent Assurance Statement
Section 7.6			
(i)	Names of persons who were Directors of the Company	Yes	Corporate Governance Commentary – Section 3.1
(ii)	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Share Information
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	Share Information
	The public holding percentage in respect of non- voting Shares (where applicable)	Not Applicable	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable	
(v)	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Corporate Governance Commentary – Section 3.1.13.1
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Key Risks
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Yes	Stakeholder Engagement and Determining Materiality sections
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio
(ix)	Number of shares representing the Company's stated capital	Yes	Share Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Ratios and market price information	Yes	
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Yes	Share Information
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Corporate Governance Commentary – Section 7/ Note 44 of the Notes to the Financial Statements
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes	
(xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-

7.3 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's message
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of, in the website	Yes	Corporate Governance Commentary – Section 5.1
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	Yes	
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance Commentary – Section 3.2
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting Procedures and the Conduct of all General Meetings with Shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance Commentary – Section 4.6.1
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	Corporate Governance Commentary – Section 4.6
9.5 Policy on Matters Relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance Commentary – Section 3
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	Yes	Corporate Governance Commentary – Section 3.3 and 5.2
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance Commentary – Section 3.1.4
9.5.1 d	The rationale and the maximum number of Directors		Corporate Governance Commentary – Section 3.1.3
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance Commentary – Section 3.1.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance Commentary – Section 3.1.9

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Corporate Governance Commentary – Section 5.1
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	Yes	Corporate Governance Commentary – Section 5.2
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale	Yes	Announcement dated 27 October 2023, as published in the CSE.
9.6.3 a-d	Requirement for a SID	Yes	Corporate Governance Commentary – Section 5.2
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	Yes	
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	Yes	
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Corporate Governance Commentary – Section 3.2.3
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes	
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes	
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with fit and proper assessment criteria	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.7.5	Disclosures in the Annual Report	Yes	Corporate Governance Commentary – Section 3.2.3.1
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Commentary – Section 3.1.3
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Corporate Governance Commentary – Section 3.1.13
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Yes	The Articles were amended in 2024, subsequent to shareholder approval, to incorporate changes necessitated by the Rules. No Alternate Directors were appointed during the financial year.

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.10 Disclosures Relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.10.2 / 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Corporate Governance Commentary – Section 1.3
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles
9.11 Nominations and Governance Committee (NGC)			
9.11.1	Establishment of a NGC	Yes	Corporate Governance Commentary – Section 3.2.3
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	Corporate Governance Commentary – Section 3.2.2
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	Corporate Governance Commentary – Section 3.2.3
9.12 Remuneration Committee (RC)			
9.12.2	Establishment of a RC	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	Corporate Governance Commentary – Section 3.1.14
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Disclosure of statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	
9.13 Audit Committee			
9.13.1	AC to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance Commentary – Section 3.2.1
9.13.2	AC to have written Terms of Reference	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs	Yes	Corporate Governance Commentary – Section 3.2.1
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC	Yes	
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes	
9.14 Related Party Transactions Review Committee			
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.2 (1)	Composition of RPTRC	Yes	
9.14.3	Functions of the RPTRC	Yes	
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board meeting in relation to a RPT	Yes	
9.14.5	Review of RPTs by the RPTRC	Yes	
9.14.6	Shareholder approval for RPTs	Yes	Corporate Governance Commentary – Section 4.6.1.5 During the year under review there were no requirements for Shareholder approval.
9.14.7	Immediate disclosures	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the Financial Statements
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes	
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance Commentary – Section 3.2.4
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes	Corporate Governance Commentary – Section 4.6.1.5 During the year under review there were no requirements for Shareholder approval.
9.14.9 (4)/(5)/ (6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Yes	There were no acquisitions and disposals of substantial assets during the year 2025/26.

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Corporate Governance Commentary – Section 3.1.13
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Commentary – Section 5.5
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Corporate Governance Commentary – Section 3.1.7
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Company operates	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period. The total number of fines for instances of non-compliance with laws and regulations that were paid during the reporting period was one hundred and twenty instances, which added to a total monetary value of Rs.4 million mainly from the Supermaket business.

7.4 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Directors

- The Company is led by an effective Board that possesses the skills, experience and financial acumen enabling independent judgement on a variety of subjects.
- Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required.
- The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. The combined role of Chairperson and CEO is justified given the nature of the Group with an annual performance appraisal in place.
- Board balance is maintained in line with the Code, supported by a majority of Independent Directors and the appointment of a Senior Independent Director, given the combined role of Chairperson and CEO.
- Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals.
- Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.

Directors' Remuneration

- The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of Chairperson-CEO and EDs.
- ED compensation includes performance related elements in the pay structure.
- Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.

Relations with Shareholders

- There is constructive use of the AGM, as per the Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute.
- The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section.
- Disclosure of material transactions and requisite shareholder approvals for major transactions.

Accountability and Audit	» Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the Company carried out all business in accordance with regulations and Applicable Laws, equitably and fairly. » The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. » There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. » The internal audit function and the Audit Committee functions as stipulated by the Code and are discussed under the Audit Committee section. » A Related Party Transactions Review Committee is in place and functions in line with the Code. » There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. » All Corporate Governance disclosures under the CSE rules have been complied with.
Institutional Investors	» The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General meetings as convened on a need basis.
Other Investors	» Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	» ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision-making. In reporting performance, the Annual Report covers ESG disclosures through the (IR) framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. » The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	» The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level, and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	» The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

STAKEHOLDER ENGAGEMENT

Stakeholders play a critical role in the Group, contributing labour, goods and services, capital, market demand for the Group's goods and services, and defining the regulatory environments across the Group's operations.

The Group is committed to maintaining open, transparent, and constructive engagement with its diverse stakeholder groups to strengthen and refine its strategies. With well-defined objectives aligned with its sustainability and business priorities, the Group prioritises delivering these commitments over the short, medium, and long term.

Identify Stakeholders → **Mapping and Prioritising Stakeholders** → **Stakeholder Engagement** → **Feedback**

Recognising the broad impact of its operations, the Group actively engages with a wide range of stakeholders across industries, communities, and geographic regions.

Internally, the Group's stakeholders include its business units, management teams and employees. Externally, the Group engages with shareholders, investors, lenders, customers, suppliers, business partners, government bodies, regulators, industry peers, advocacy groups, media, and the wider community that are significantly impacted by the Group's operations or have the ability to significantly influence the Group's operations. Through ongoing dialogue and collaboration, the Group seeks to incorporate diverse perspectives of such significant stakeholders into its sustainability strategy, risk management and decision-making processes.

While the Group maintains multiple channels to facilitate effective communication with its stakeholders, no critical concerns relating to the Group's operations were raised during the year, other than those pertaining to the temporary delays experienced in vehicle deliveries at JKCG, arising from the detention of imports by Sri Lankan Customs, which were duly communicated to all stakeholders and have since been addressed. In addition, investigations remain ongoing in relation to an accident involving an aircraft operated by Saffron Aviation (Private) Limited, which did not result in any fatalities or injuries. While the performance of all material topics are communicated to the Senior Management on a quarterly basis, there were no critical concerns relating to these material topics, apart from the incidents mentioned above.

The table below outlines the Group's significant stakeholder groups, and the corresponding engagement. The methodologies below support meaningful dialogue and enable effective two-way communication between the Group and its stakeholders. Additionally, a biennial stakeholder engagement study is conducted by an independent third-party consultant, engaging key internal and external stakeholders to identify sector level material topics.

Stakeholder Expectations	Management	Methods of Engagement
Customers Products and services that meet required standards of quality and safety Products and services provided in an environmentally and socially responsible manner	» Continuous engagement with customers » Provision of products and services that meet customer requirements	(A) Roadshows, trade fairs and field visits (B) One-on-one meetings, discussion forums, progress reviews (Q) Customer satisfaction surveys (O) Information dissemination through printed reports, telephone, SMS, mobile applications, e-mail, corporate website, workshops and business development activities.
Employees Safe and enabling work environment Equal opportunity within a meritocratic culture Enhancement of skills and knowledge through continuous engagement Work-life balance	» Accessibility to all levels of management » Health and safety measures, Anti-harassment policies, reporting mechanisms such as Chairperson Direct » Employee involvement through staff volunteerism, and HIVE portal	(B) Performance reviews and skip level meetings (A) Employee satisfaction surveys (Q) Intranet communications (O) Training and development programmes, team building activities, joint consultative committees, open-door policy, sports events, and Corporate Social Responsibility programmes.

(A) - Annually, (B) - Biannually, (Q) - Quarterly, (O) - Ongoing, (On) - One- off, (M) - Monthly, (R) - Regular

Stakeholder Expectations	Management	Methods of Engagement
Community Stimulation of the local economy through procurement and employment Operations with minimal impact on shared natural resources	» Provision of updates on business activities that may impact the community » Support for local businesses through partnerships and sourcing from local suppliers » Creation of direct and indirect employment opportunities » The Group's Environment Policies and Management Approach	O Community engagement prior to entry and upon exit through one-on-one meetings, workshops, forums M Regular engagement during operations through one-on one meetings, workshops, forums O Corporate Social Responsibility programmes
Shareholder Investors Consistent economic performance Sustainable economic growth	» Transparency in reporting and corporate governance » Monitoring policy changes and proactive adaptation of business strategies	A Annual reports, disclosures and reviews Q Quarterly reports R Investor webinars and roadshows O Phone calls, e-mail, written communications, websites, one-on-one meetings
Government Contribution to the economy through strategic investments Creation of direct and indirect employment Timely payment of taxes and levies	» Transactions conducted in compliance with all relevant laws and regulations, transparently and ethically » Zero-tolerance approach to ensuring all statutory obligations are met in full and on time	Q Participation of senior management in chambers and industry associations O Meetings, business forums, newsletters, circulars, presentations, briefings and advisory meetings of industry associations.
Legal and Regulatory Bodies Compliance with laws and regulations Sound corporate governance practices	» Regular review of policies and procedures to align with legal and regulatory changes » Periodic legal audits and risk assessments	Q Participation of senior management in chambers and industry associations O Meetings, periodic disclosures and formal correspondence
Business Partners Long term business relationships and adherence to contractual obligations Knowledge sharing towards creating sustainable value chains Representation in business councils and committees	» Establishment of clear service-level agreements (SLAs) and key performance indicators (KPIs) » Implementation of a Supplier Code of Conduct to enforce ethical business practices	A Distributor conferences, contract renegotiations and reviews, roadshows, supplier assessments and supplier forums B Supplier review meetings R Market reports O Conference calls, e-mails, circulars, corporate website and sourcing, contracting and supplier management platform.

A - Annually, B - Biannually, Q - Quarterly, O - Ongoing, On - One- off, M - Monthly, R - Regular

STAKEHOLDER ENGAGEMENT

Stakeholder Expectations	Management	Methods of Engagement
 **Society, Media, and Pressure Groups** Operations aligned with social norms, cultural expectations, with minimal negative social and environmental impact Compliance with laws and regulations Responsible corporate citizenship	» Investment in social causes aligned with business values and stakeholder expectations » Demonstration of commitment to ethical and sustainable business practices	(O) Website updates, press releases, media briefings and correspondence
 **Industry Peers and Competition** Ethical business practices Participation in business councils and committees	» Promotion of healthy competition and ethical practices » Agility in adaptation to market changes	(Q) Participation of senior management in chambers and industry associations (R) Membership of trade associations, conferences and discussion forums

(A) - Annually, (B) - Biannually, (Q) - Quarterly, (O) - Ongoing, (On) - One- off, (M) - Monthly, (R) - Regular

The Group entities have made available multiple channels for customer and general public to raise any inquiries or grievances on products, services, and environmental or community related aspects. Contact details or customer hotlines are available via their respective websites, Group directory and other advertising and social media sites. Each business has an established mechanism to handle, monitor and resolve such inquiries and grievances in line with the Group policies.

DETERMINING MATERIALITY

Materiality analysis is a key process used by the Group to identify and prioritise triple bottom line topics and related risks and opportunities, that are of significance to the business and its internal and external stakeholders.

While the Group identifies its material topics for management under its Sustainability Management Framework (SMF) by way of policy development, performance monitoring and course corrective action, the materiality analysis process also enables the Group to define its short, medium and long term goals, as well as processes and interventions required to address selected material concerns identified by both the Group and its stakeholders. Targeted interventions are carried out for selected material topics, while all material topics identified by the Group are addressed and managed through the aforementioned SMF.

The Group conducts a comprehensive internal materiality assessment annually, with the engagement of its sectors, to assess progress against all its material topics and to identify new material topics.

A comprehensive stakeholder engagement survey is carried out biennially with the aid of an independent third party, to assess the impacts of the ongoing activities and engagement of the Group, by evaluating performance against the material topics, and to assess changes in the materiality landscape. While frontier topics and emerging topics may be considered as material topics and managed along with other material topics through the SMF by adherence to policies, processes, Standard Operating Procedures (SOP)s and performance monitoring, they may not necessarily be considered for short, medium and long term goal setting and interventions where such topics are assessed as having a current low net impact or low net risk on the Group.

INDEPENDENT STAKEHOLDER ENGAGEMENT

An engagement was carried out to develop the Group's environmental, social and governance (ESG) strategy which included a comprehensive stakeholder engagement study. This study, led by an independent third-party consultant, involved structured engagement with key internal and external stakeholders to identify the overall sustainability material topics and critical sustainability impact topics for interventions and goal setting at the sector level. In parallel, a detailed desktop review was conducted for each sector, benchmarking performance against selected peer organisations recognised as industry leaders in ESG performance. The insights generated through this exercise were shared with sector teams for validation and further analysis. Following this process, sector-level material sustainability impact topics were consolidated to derive a Group-level view of material topics.

The outcomes of this stakeholder engagement and benchmarking exercise formed a key input into the identification and prioritisation of the Group's material topics, and the subsequent review of the Group's ESG strategy, and the identification of material topics that required focused interventions. These topics were considered as priority ambition areas across ESG dimensions.

All material topics are managed through the Group SMF which ensures that all material topics have management policies, processes and SOPs in place, and are tracked and monitored through relevant KPIs towards providing timely management information for sustainability decision-making purposes to senior management.

As part of the goals and target setting process of the Group's SMF, a Group-level ambition-setting workshop was carried out, with the participation of the Group's leadership including the Chairperson, Deputy Chairperson, members of the Group Executive Committee (GEC), cross-functional leaders from all sectors, and representatives from Centre Functions. This collaborative and iterative process resulted in the articulation of the interventions required for selected key material sustainability topics of the Group, and the definition of overarching ESG ambitions aligned to these key topics.

Subsequently, a series of sector-level ambition-setting workshops were conducted, facilitated by the independent third-party consultant in collaboration with the Group Sustainability team. These workshops, with participation from sector leadership and representatives from Centre Functions, led to the refinement and finalisation of ESG ambitions of its key sustainability material topics. Following these workshops, Steering Committees were established to review the ambitions and determine what can be achieved in the short, medium and long term and establish appropriate implementation timelines. While the Group focuses on these ambitions for its key sustainability material topics, it continues to ensure adherence to policy, processes and performance monitoring of all its material topics identified through the stakeholder engagement process.

2025/26 TARGETS AND TRANSITION TO FUTURE AMBITIONS

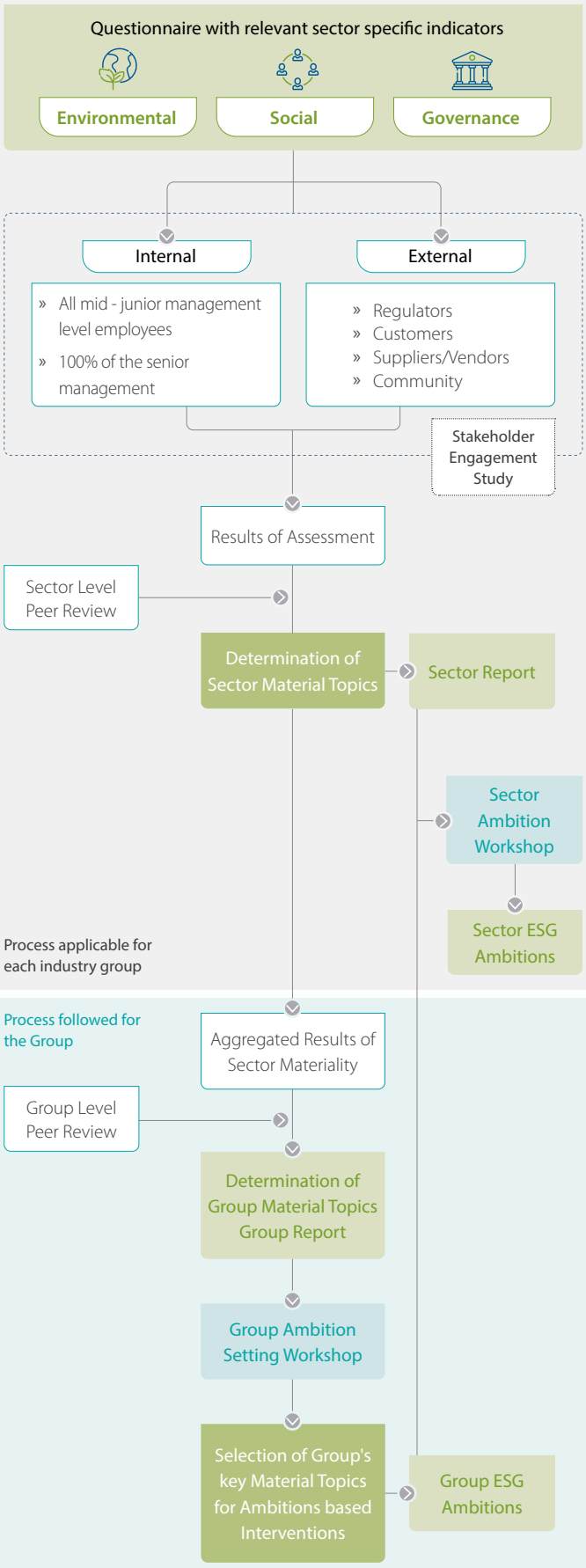
Over the years the John Keells Group has established short, medium and long term targets based on internal deliberations, considering the need to minimise impact from business operations on society and the environment. These areas include topics such as carbon emissions, water, waste and plastic utilisation, where such short, medium and long term targets were established considering 2018/19 as the base year, and considering a bottom-up approach.

Over the past seven years, the Group has made significant progress in achieving such targets. With the overall growth and expansion the Group has undergone since 2018 (the baseline year of our targets), and with the advent of new disclosure requirements of climate change adaptation and transition, together with the growing need for targets to be established based on the science-based targets (SBTI), the Group intends to establish fresh targets in the ensuing years. Work in terms of setting these targets has already commenced, with the Group conceptualising Group level ambitions on various sustainability topics encompassing GHG emissions and energy management, waste management and packaging, diversity and equal opportunity and local community empowerment. These ambitions are overseen by individual steering committees and headed by a member of the Group Executive Committee.

The short, medium and long term targets will be established by the appointed steering committees in each area of these ambitions and disclosed in our future disclosures and reports.

DETERMINING MATERIALITY

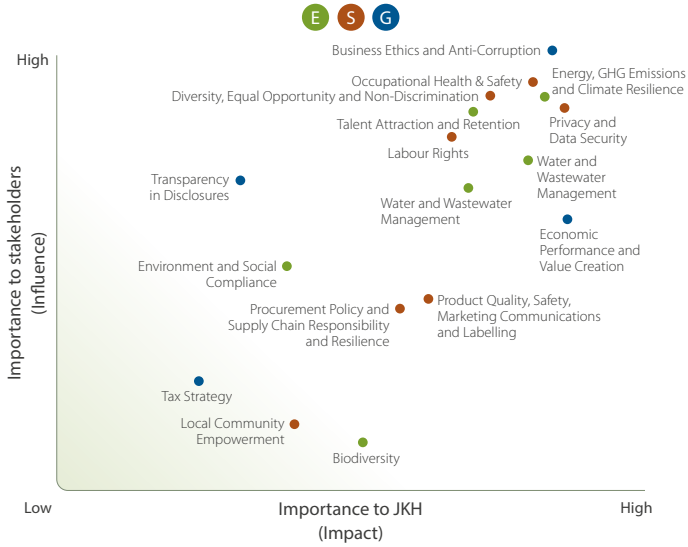
Process Followed to Determine Material Topics



MATERIAL IMPACT TOPICS AND DOUBLE MATERIALITY

Subsequent to the external stakeholder engagement and internal management workshops the Group prioritised sustainability impact topics based on their significance to external and internal stakeholders. As part of this process, the Group assessed the actual and potential, positive and negative impacts of its activities on the economy, environment and people. This prioritisation resulted in the identification of material sustainability impact topics.

During the year, the Group undertook a comprehensive value chain assessment across all of its business units, considering the full lifecycle of each operation. This assessment, led by an independent third party consultant, provided insights to the Group on its current material impact topics through which the Group sought to identify the dependencies on resources, dependencies on external stakeholder relationships, and finally arrive at a comprehensive set of sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). These SRROs and CRROs, were further assessed for financial materiality based on the qualitative judgements of the senior management teams of each business unit. Subsequent to this assessment, the Group also re-prioritised its material impact topics as shown in the high-importance quadrant of the diagram below.



Management processes and frameworks such as corporate governance, stakeholder relationship management, supply chain management, transparency in disclosure, risk management and tax strategy, were identified as the means of identifying assessing and managing material topics and these were excluded from the list of material topics this year. These processes and frameworks continue to be reported as management approaches towards managing the Group's material topics. The list of material topics is further augmented by financially material SRROs and CRROs identified as part of the above study to arrive at a list of material topics based on a double materiality concept.

While the Group did not undertake quantitative financial analysis of the identified risks and opportunities, the Group through the independent third-party consultant conducted awareness and capacity building sessions for business units, enabling them to identify their business specific SRROs and CRROs. Subsequent workshops were conducted to prioritise risks at the business unit level, consolidate such risks at the sector level and ultimately, at the Group level. This process resulted in identification of the Group's prioritised and consolidated SRROs and CRROs as disclosed in this section.

It should be noted that the prioritised SRROs and CRROs were identified using judgement based on the financial effects on the Group's financial statements. It was then considered together with the sustainability impact topics of the Group to arrive at a list of material matters that reflect both financial materiality and impact materiality considerations.

In determining the material impact topics, in addition to the assessments undertaken this year, the Group also took into consideration the results of the external stakeholder engagements carried out in 2022/23 together with management judgements, perceptions and experience of senior management across its business units. These were identified through a series of dedicated workshops held with the senior leadership of each sector.

In preparing its sustainability-related financial information, the Group has referred to, and considered, the applicability of disclosure topics and metrics set out in the Sustainability Accounting Standards Board (SASB) Standards for each of the Group's business units taking into account the sectors in which they operate. In determining the most appropriate SASB Standard to apply, the Group considered the revenue share of operations, the sustainability impacts from its operations and considered the intent of the various SASB Standard disclosures vis-a-vis the business units' primary operations. As the ultimate holding company, John Keells Holdings PLC was assessed under the Professional Services Standard of the SASB Standard.

In developing content for this report, the Group also considered all the consolidated and material sustainability impact topics of the Group, informed by the sector level material sustainability topics. These material topics have been aligned with the GRI standards, SASB Standards and SLFRS Sustainability Disclosure Standards as presented in the table titled Alignment of Prioritised Materiality Matters against Reporting Frameworks.

Both the above materiality assessments were conducted with input from the subsidiaries of the Group and oversight from the Sustainability and Finance teams of those subsidiaries, with final approval of such materiality matters obtained from the senior management of each industry group.

The materiality matters that were identified in this manner (both financial and impact materiality) were further aligned to the integrated reporting (IR) capitals. The Group's policies, management approaches in place to govern such material topics can be found in the Outlook and Risks, Corporate Governance and Capital Review sections of this report.

"In developing content for this report, the Group also considered all the consolidated and material sustainability impact topics of the Group, informed by the sector level material sustainability topics in alignment with the GRI Standards, SASB Standards and SLFRS Sustainability Disclosure Standards."

The SASB Sector Standards applied

Transportation	» Air Freight and Logistics » Marine Transportation » Road Transportation
Consumer Foods	» Non-Alcoholic Beverages » Processed Foods » Meat, Poultry and Dairy
Retail	» Food Retailers and Distributors » Air Freight and Logistics » Multiline and Specialty Retailers and Distributors
Leisure	» Hotels and Lodging » Restaurants » Road Transportation
Property	» Home Builders » Real Estate Services » Leisure Facilities » Hotels and Lodging
Financial Services	» Insurance Standards » Managed Care » Professional and Commercial Services
Plantation Services	» Professional and Commercial Services
Information Technology	» Software and IT Services
Other	» Professional and Commercial Services

Refer SLFRS S1 and S2 Disclosures section of this Report for SASB Disclosures – page 398.

Identification of Material Topics

During the year, the identification of prioritised SRROs and CRROs further augmented the Group's material sustainability impact topics outlined above. To provide focus and structure to these SRROs and CRROs, these have been integrated within the Group's Enterprise Risk Management (ERM) framework.

The material impact topics identified above along with the dependencies on externalities, led to the identification of sustainability-related risks and opportunities as shown below. The Group considers the prioritised sustainability impact topics and the prioritised sustainability-related risks and opportunities as its overall material matters.

DETERMINING MATERIALITY

Prioritised Sustainability Impact Topics	Prioritised Sustainability-Related Risks and Opportunities
Economic performance and value creation	Opportunity Sustainable finance and investment
Business ethics and anti-corruption	-
Biodiversity	Opportunity Eco-system conservation and restoration to support nature-based demand
Energy, GHG emissions and climate change resilience	Risks » Disruptions to supply chain due to acute physical risks » Impact to assets and operations due to acute physical risks » Energy volatility and transition to low carbon alternatives Opportunity Investment in renewable energy
Water and wastewater management	Risks Water scarcity and deterioration of water quality Opportunity Efficient effluent/wastewater management
Waste management and packaging	Risks » Disposing plastic, packaging and hazardous waste and meeting Extended Producer Responsibility requirements » Inadequate infrastructure and facilities for waste disposal leading to landfill dependency Opportunity Cross-sector circular economy solutions

Prioritised Sustainability Impact Topics	Prioritised Sustainability-Related Risks and Opportunities
Product quality, safety, marketing communications and labelling	Risk Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents
Diversity, equal opportunity and non-discrimination	-
Procurement, supply chain responsibility and resilience	-
Occupational health and safety	-
Talent attraction and retention	Risk Skilled labour shortage and retention risk
Labour rights	-
Local community empowerment	-
Environmental and social compliance	-
Privacy and data security	Risk Risk of cybersecurity threats and breaches of data privacy

Alignment of Prioritised Materiality Matters Against Reporting Frameworks

Material Impact Topic	GRI Disclosures	SASB Disclosure Topic of Relevant Industry Standard	IR Capital and Alignment to SLFRS S1 / S2
Economic performance and value creation	GRI 201-1, 201-3		Financial and Manufactured Capital Review Economic Value Added Statement
Business ethics and anti-corruption	GRI 2, 205-1, 205-2, 205-3	Professional Integrity Business Ethics	Corporate Governance Commentary Social and Relationship Capital Review
Environmental and social compliance	GRI 2-27		Corporate Governance Commentary

Material Impact Topic	GRI Disclosures	SASB Disclosure Topic of Relevant Industry Standard	IR Capital and Alignment to SLFRS S1 / S2
Biodiversity	GRI 101-1, 101-2,101-3, 101-4, 101-5	Ecological Impacts	Natural Capital Review
Energy, GHG emissions and climate change resilience	GRI 201-2, 302-1, 302-3, 305-1, 305-2, 305-4, 305-5, 305-6	Greenhouse Gas Emissions Energy Management	Natural Capital Review SLFRS S1 and S2 Disclosures
Water and wastewater management	GRI 303-1,303-2, 303-3, 303-4, 303-5	Water Management	Natural Capital Review SLFRS S1 and S2 Disclosures
Waste management and packaging	GRI 306-1,306-2, 306-3, 306-4, 306-5	Food Waste Management Packaging Lifecycle Management	Natural Capital Review SLFRS S1 and S2 Disclosures
Procurement supply chain responsibility and resilience	GRI 204-1, 308-1, 414-1	Environmental and Social Impacts of Ingredient Supply Chain Supply Chain Management Ingredient Sourcing	Social and Relationship Capital Review SLFRS S1 and S2 Disclosures
Occupational health & safety	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	Workforce Health and Safety Accident and Safety Management	Human Capital Review
Diversity, equal opportunity and non-discrimination	GRI 405-1, 405-2, 406-1	Workforce Diversity and Engagement Employee Diversity and Inclusion	Human Capital Review
Talent attraction and retention	GRI 401-1, 401-2, 401-3, 404-1, 404-2, 404-3	Workforce Diversity and Engagement Labour Practices	Human Capital Review SLFRS S1 and S2 Disclosures
Labour rights	GRI 407-1, 408-1, 409-1,	Workforce Diversity and Engagement Labour Practices	Human Capital Review Social and Relationship Capital Review
Local community empowerment	GRI 413-1		Social and Relationship Capital Review
Product quality, safety, marketing communications and labelling	GRI 417-1, 417-2, 417-3	Food Safety Product Labelling and Marketing	Social and Relationship Capital Review SLFRS S1 and S2 Disclosures
Privacy and data security	GRI 418-1	Data Security Data Privacy and Freedom of Expression	Corporate Governance Commentary Intellectual Capital Review SLFRS S1 and S2 Disclosures
SRROs and CRROs			
Disruption to supply chain - due to acute physical risks		Environmental and Social Impacts of Ingredient Supply Chain Climate Change Adaptation Ingredient Sourcing	Social and Relationship Capital Review SLFRS S1 and S2 Disclosures
Impact to assets and operations due to acute physical risks		Sustainability Services Climate Change Adaptation	Natural Capital Review SLFRS S1 and S2 Disclosures
Energy volatility and transition to low carbon alternatives		Energy Management	Natural Capital Review SLFRS S1 and S2 Disclosures
Water scarcity and deterioration of water quality		Water Management Ingredient Sourcing	Natural Capital Review Social and Relationship Capital Review SLFRS S1 and S2 Disclosures
Disposing plastic, packaging and hazardous waste, and meeting EPR requirements		Packaging Lifecycle Management Product Sourcing, Packaging and Marketing	Natural Capital Review SLFRS S1 and S2 Disclosures
Inadequate infrastructure and facilities for waste disposal leading to landfill dependency		Food Waste Management	Natural Capital Review SLFRS S1 and S2 Disclosures

DETERMINING MATERIALITY

Material Impact Topic	GRI Disclosures	SASB Disclosure Topic of Relevant Industry Standard	IR Capital and Alignment to SLFRS S1 / S2
Risk of cybersecurity threats and breaches of data privacy		Data Security Data Privacy & Freedom of Expression	Intellectual Capital Review SLFRS S1 and S2 Disclosures
Skilled labour shortage and retention risk		Labour Practices	Human Capital Review SLFRS S1 and S2 Disclosures
Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents		Product Labelling and Marketing	Social and Relationship Capital Review SLFRS S1 and S2 Disclosures
Sustainable finance and investment			Financial and Manufactured Capital Review SLFRS S1 and S2 Disclosures
Cross-sector circular economy solutions			Natural Capital Review SLFRS S1 and S2 Disclosures
Ecosystem conservation and restoration to support nature-based demand			Natural Capital Review SLFRS S1 and S2 Disclosures
Investment in renewable energy			Natural Capital Review SLFRS S1 and S2 Disclosures
Efficient effluent/wastewater management			Natural Capital Review SLFRS S1 and S2 Disclosures

Management of Materiality Matters

The following section provides an overview of how the Group manages and mitigates the impacts arising from its operations vis-a-vis its prioritised impact topics as well as strategies and risk management processes undertaken to manage its SRROs and CRROs.

Economic Performance and Value Creation

Maintains the Group's core financial sustainability, supports ESG objectives, and directly influences stakeholder trust, capital attraction, and strategic decision-making.

Management Approach and Mitigation

- Sustainability integration across the value chain to ensure efficient and ethical procurement.
- Enforcement of strict compliance through the Supplier Code of Conduct.
- Environmental and social risk assessment framework for the Supermarket business.
- Dual procurement model with oversight by the Group Initiatives division and cross-functional tender committees.
- Active supplier engagement through annual supplier forums in Sri Lanka and the Maldives.

Refer Operating Environment
Financial and Manufactured Capital Review
Industry Group Reviews
Group Strategy, Resource Allocation and Portfolio Management

Business Conduct and Ethics

Ensures effective oversight, accountability, and integrity in decision-making across the Group.

Management Approach and Mitigation

- Implementation of Code of Conduct and compliance policies across the Group, such as Policy on Conduct and Business Ethics, Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Compliance monitoring mechanisms.
- Whistleblowing channels.
- Employee awareness.

Refer Corporate Governance Commentary

Biodiversity

Promotes responsible environmental management, ensuring the protection and restoration of ecosystems that sustain operations and local communities.

Management Approach and Mitigation

- Implementation of habitat conservation, restoration, and reforestation initiatives.
- Engagement with local communities and relevant stakeholders to promote conservation awareness.
- Establishment of a Steering Committee to guide the development and implementation of biodiversity-related targets across the short, medium, and long term.

Refer Natural Capital Review – Page 65.

Energy, GHG Emissions and Climate Resilience

Maintains the Group's environmental responsibility, compliance, and long term business resilience.

Management Approach and Mitigation

- Adoption of lean energy management and investment in energy-efficient technologies.
- Exploration and integration of renewable energy.
- Monitoring of direct and indirect energy use and carbon emissions.
- Long term commitment to achieve Net Zero, with a Steering Committee developing the roadmap.

Refer Natural Capital Review – Page 65.

Procurement, Supply Chain Responsibility and Resilience

Ensures continuity of operations and value creation by securing reliable, ethical, and sustainable sourcing, while managing environmental, social, and economic risks across the value chain and meeting stakeholder and regulatory expectations.

Management Approach and Mitigation

- Responsible sourcing practices with defined supplier standards and contractual requirements.
- Supplier assessments and audits to monitor compliance and address risks.
- Supplier diversification and local sourcing to strengthen resilience.

Refer Social and Relationship Capital Review – Page 113.

Waste Management and Packaging

Enhances resource efficiency and compliance while addressing stakeholder expectations and reducing the environmental footprint of waste and packaging.

Management Approach and Mitigation

- Implementation of waste reduction and sustainable packaging strategies, focusing on minimisation, reuse, and increased recyclability across operations.
- Engagement with local communities and stakeholders through awareness and education initiatives to promote responsible waste management and recycling practices.
- Steering Committee to oversee waste management and packaging strategies.

Refer Natural Capital Review – Page 65.

Water and Wastewater Management

Enhances the Group's operational continuity, legal compliance, environmental footprint, and reputation.

Management Approach and Mitigation

- Reduction of reliance on blue water through reuse of treated wastewater for non-potable purposes and groundwater replenishment.
- Mandatory compliance with regulatory wastewater discharge quality standards.
- Long term targets of water neutrality and water positivity, cascaded across industry groups to drive efficiency and conservation initiatives.

Refer Natural Capital Review – Page 65.

Occupational Health and Safety

Ensures workforce well-being, regulatory obligations, and maintenance of a safe, productive and engaging work environment.

Management Approach and Mitigation

- Utilisation of the universal hierarchy of controls elimination, substitution, engineering controls and administrative controls.
- Usage of Personal Protective Equipment (PPE).
- Training, collaboration, and continuous monitoring of safety culture within the Group.

Refer Human Capital Review – Page 95.

DETERMINING MATERIALITY

Diversity, Equal Opportunity and Non-Discrimination

Builds a diverse and inclusive workforce that fosters innovation, improves decision-making, and enhances employee engagement.

Management Approach and Mitigation

- Diversity, Equity and Inclusion embedded as a business imperative.
- Group-wide framework under ONE JKH, grounded in meritocracy and equal opportunity.
- Focus on removing systemic bias and creating an inclusive workplace culture.
- Continuous monitoring, review, and recalibration of targets based on performance realities.
- Multiple confidential grievance and escalation mechanisms.
- Policy on DE&I, including a gender policy.
- Policies on equal opportunities, non-discrimination, career management, promotions, and employees with disabilities.

Refer Human Capital Review – Page 95.

Labour Rights

Ensures fair, safe, and inclusive workplaces across operations and the value chain, supporting employee well-being, regulatory compliance, and the Group's reputation.

Management Approach and Mitigation

- Employee Code of Conduct governing ethical and human rights standards.
- Minimum Age Policy and Child Labour Policy.
- Community child protection initiatives.
- Written employment contracts for all employees, trainees, and interns.
- Monitoring to prevent forced or compulsory labour.

Refer Human Capital Review
Social and Relationship Capital Review

Local Community Empowerment

Supports the Group's social license to operate by helping improve livelihoods, promoting inclusive growth, and creating long term value for communities.

Management Approach and Mitigation

- Community initiatives via John Keells Foundation focused on skills development and livelihoods.
- Social needs and impact assessments to guide engagement programmes and manage risks.
- Community engagement to promote financial inclusion and income generation.

Refer Social and Relationship Capital Review – Page 113.

Product Quality, Safety, Labelling and Marketing Communications

Ensures product safety and quality, maintains regulatory compliance, and builds customer trust through responsible advertising, marketing and transparent information.

Management Approach and Mitigation

- Adherence to applicable regulations and standards on product quality, safety, and labelling.
- Oversight by internal quality assurance and compliance teams across operations.
- Regular internal and external audits to monitor compliance and ensure continuous improvement.

Refer Social and Relationship Capital Review – Page 113.

Privacy and Data Security

Manages the risk of data breaches, cyberattacks, and misuse of personal information.

Management Approach and Mitigation

- Appointment of dedicated Data Protection Officers (DPOs) to implement best practices and strengthen data protection frameworks, across the Group.
- Oversight by Data Governance Steering Committee.
- Engagement of external data protection experts to identify gaps and develop proactive improvement action plans.

Refer Corporate Intellectual Capital Review – Page 129.

The Group manages its SRROs and CRROs through structured governance oversight, regular risk assessments and the integration of mitigation actions into business operations. Key risk mitigation measures include embedding sustainability considerations in strategy formulation, and strategic decision-making processes, implementing robust compliance and policy frameworks, enhancing energy and resource efficiency, strengthening supply chain resilience, and fostering strong employee engagement.

A more in-depth commentary of the management approaches to managing and mitigating sustainability impacts can be found in the Capital Review sections and Corporate Governance section of this report. A detailed disclosure of the manner in which the Group's SRROs and CRROs are managed can be found in the SLFRS S1 and S2 Disclosures section, as well as in the Corporate Governance and Integrated Risk Management sections of this report.

BEYOND THE NUMBERS

SLFRS S1 AND S2 DISCLOSURES

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SLFRS S1 AND S2 DISCLOSURES

BASIS OF PREPARATION

Reporting Entity *[SLFRS S1.20]*

The sustainability-related financial disclosures are prepared using a reporting entity concept aligned with the Group consolidated financial statements. Accordingly, the primary reporting scope comprises entities within the Group's consolidation boundary. Where relevant, to enable a proper understanding of the Group's sustainability-related financial risks and opportunities, additional information has been considered based on materiality, the nature and extent of the Group's involvement, and the availability of reliable data.

In accordance with SLFRS S1 and S2, the Group has aligned its sustainability-related financial disclosure reporting boundary with its financial reporting boundary. While all entities with no significant operations, entities that function solely as owners of real estate or as investment holding companies are included within both such boundaries due to their insignificant impacts, risks and opportunities arising from their operations, disclosures relating to sustainability impacts reported in accordance to the GRI Standards, and sustainability-related risks and opportunities reported in alignment with SLFRS S1 and S2 Standards, have not been considered for these entities. These entities are identified with a * in the Group Directory.

Entities that are joint ventures, associates, and equity accounted investees have been included within the sustainability- related financial disclosure reporting boundary only to the extent of the Group's equity holding in their non-financial metrics, in accordance with SLFRS S1 and S2. The Group has applied the transition relief permitted under these standards and accordingly reports only its equity share of such entities' Scope 1 and Scope 2 greenhouse gas emissions. These entities are marked with ** in the Group Directory.

All other reporting entities being subsidiaries over which the Group exercises management control, have been fully included within the non-financial reporting boundary for the purposes of both the GRI Standards and SLFRS S1 and S2.

Interaction with Law or Regulation and Statement of Compliance *[SLFRS S1.72]*

The Group's sustainability-related financial disclosures have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS S1 and S2). These standards are aligned with the global sustainability-related financial disclosures issued by the International Sustainability Standards Board (ISSB), enabling the provision of consistent, comparable, and decision-useful information to primary report users assessing the Group's enterprise value.

Commercially Sensitive Information *[SLFRS S1.B34]*

In line with SLFRS S1 and S2, the Group has disclosed material sustainability- and climate-related risks and opportunities that could reasonably be expected to affect its financial performance, financial position, or future prospects. These disclosures are based on management judgement.

Where necessary, information has been appropriately aggregated to avoid prejudice to the Group's competitive position or ongoing commercial arrangements. Such aggregation has been applied without obscuring the overall understanding of the nature, direction, and potential financial implications of the sustainability- and climate-related risks and opportunities faced by the Group.

Connectivity and Timing of the Report *[SLFRS S1.22], [SLFRS S1.21]*

This report presents the Group's sustainability-related financial information for the financial year ended 31 March 2026 and is aligned with the reporting period of the Group's consolidated financial statements.

Sustainability-related information is presented in a manner that is connected with the financial statements and other sections of the Annual Report, providing a cohesive view of how material sustainability- and climate-related risks and opportunities may affect the Group's financial position, financial performance, and cash flows over the short, medium and long term. Where relevant, disclosures are complemented by information prepared in accordance with the GRI standards and SASB standards. References to these frameworks are highlighted throughout this report, with more detailed analysis presented within the Capital Review sections of this report.

Locations of Disclosures of SLFRS S1 and S2 within the Annual Report

SLFRS Disclosure Area	Section of the Annual Report
Governance	Corporate Governance Commentary
Strategy	Corporate Governance Commentary, Industry Group Review and Capital Review sections
Risk	Enterprise Risk Management, Outlook and Risks, Industry Group Review, Capital Review sections
Metrics and Targets	Industry Group Review' Capital Reviews sections; SASB Disclosures; GRI Index

Functional and Presentation Currency *[SLFRS S1.24]*

Sustainability-related financial information is presented in the same manner as presented in the consolidated financial statements.

Refer Notes to the Financial Statements for further details – page 470.

Sources of Guidance *[SLFRS S1.59]*

As part of its efforts to undertake a double materiality assessment, the Group engaged an independent third party consultant to support the identification of impact areas subsequent to a stakeholder engagement, as well as sustainability- and climate-related risks and opportunities arising from a comprehensive life cycle and value chain assessment covering all subsidiaries of the Group.

Both impact and financial materiality assessments were conducted with inputs from the subsidiaries of the Group under the oversight of the respective Sustainability and Finance teams. The outcomes of the assessments were subject to review and approval by the Senior Management at each industry group sector level, ensuring consistency with the Group's governance framework.

The materiality topics identified through this process were subsequently aligned with the integrated reporting capitals, sector specific SASB standards based on the SASB materiality mapping, and the GRI standards, as presented in the Determining Materiality section of this report. The Group's policies and management frameworks to govern these material topics are disclosed within the relevant Capital Review sections as well as within the Integrated Risk Management section and the Notes to the Financial statements, where applicable.

Assumptions, Judgment and Estimates *[SLFRS S1.74], [SLFRS S1.77,78]*

Key assumptions, judgements and estimates applied in the preparation of the Group's sustainability-related financial disclosures are set out within the relevant commentaries in this section. These include assumptions and judgments relating to the identification, assessment, and prioritisation of sustainability- and climate-related risks and opportunities, as well as their anticipated short, and medium term impacts and associated current and anticipated financial impacts and strategies.

Refer the Capital Review sections for a further analysis of the performance metrics and management approach – page 51.

Transition Reliefs Including Comparative Information

In preparing this report for its first annual reporting period under SLFRS S1 and S2, the Group has applied the following transition reliefs permitted under these standards:

- Comparative information relating to climate-related opportunities has not been disclosed, and
- Scope 3 greenhouse gas emissions have not been disclosed. *[SLFRS S1.E6, SLFRS S2.C4(b)]*
- Information on quantitative anticipated effects have not been disclosed.

Proportional Reliefs

In applying the proportionality provisions of SLFRS S1 and S2, the Group has not undertaken climate-related scenario analysis for the financial year ended 31 March 2026. The sustainability-related financial disclosures have been prepared based on available information, existing risk assessments, and management judgement, proportionate to the Group's data availability, systems, and analytical capabilities. Climate scenario analysis will be considered in future reporting periods as capabilities develop.

Non-Adjusting Events After the Reporting Period

[SLFRS S1.67–68]

No non-adjusting events took place after the reporting period.

Definitions of Time Horizons

The Group defines its planning horizons as follows.

- Short term - <1year
- Medium term – 1-5 years
- Long term - >5 years

JUDGEMENTS AND UNCERTAINTIES

Application of Judgement *[SLFRS S1.74]*

In preparing these disclosures, management has exercised judgement in determining materiality, applying data proportionality, and assessing the extent of the Group's influence across its value chain. These disclosures should be read in conjunction with the Consolidated Financial Statements to provide an integrated view of how sustainability considerations are embedded within the Group's strategy, governance, and risk management frameworks.

The key areas where significant judgement has been applied are summarised below;

Topics	Description of Judgment Applied
Financial materiality assessment	The management applied judgement in assessing SRRs and CRRs arising from value chain impacts and dependencies that could reasonably affect the Group's strategy, business model, or financial position and performance.
Greenhouse Gas (GHG) emissions	Management judgement was exercised in selecting appropriate location-based emission factors for the calculation of the Scope 1 and Scope 2 GHG emissions. Scope 3 emissions have not been considered for the period. *Further details are provided in the Natural Capital Review – page 65.*
Risk assessments and material risks	Management judgment was applied in assessing likelihood of occurrence and severity of financial impacts associated with SRRs and CRRs that are considered financially material to the Group. Furthermore, management judgement was also exercised in the evaluation of non-financial impacts that may have financial implications in the future.
Scenario selection	Climate scenario analysis has not been performed in the current reporting period. The Group has applied the transition relief available under SLFRS S1 and S2 for first time reporting.

Measurement Uncertainty *[SLFRS S1.77–78]*

Measurement uncertainty arises primarily from data limitations in data availability, the use of estimates and assumptions, and external factors. The table below summarises the key sources of measurement uncertainty affecting the Group's sustainability-related disclosures.

Topics	Description of Measurement Uncertainty
Assessment of assets vulnerable to climate-related physical risks and transition risks	Assessment of the nature, frequency and magnitude of natural weather events is subject to inherent uncertainties, and past experiences, data and trends may not provide a reliable prediction of future occurrences.
Greenhouse Gas (GHG) emissions	Measurement of GHG emissions is subject to inherent uncertainty due to limitations in data availability and the estimation methods used in determining emission factors. The Group applies emission and conversion factors sourced from the GHG Protocol, IPCC AR6, DEFRA and relevant grid emission factors issued by the Sustainable Energy Authority. As this is the Group's first year of sustainability-related financial reporting, there have been no changes to the measurement approach.

SLFRS S1 AND S2 DISCLOSURES

Topics	Description of Measurement Uncertainty
Water withdrawal	Measurement uncertainty exists at certain locations where water withdrawal is estimated based on pump capacities and operating speeds, resulting in potential variability of ~ ±10%.
Waste	Measurement uncertainty exists in waste data where, in most instances, waste disposed is assumed to be equal to waste generated. Certain waste streams, including waste sent to landfill, are estimated using standard bin weights multiplied by the number of bins collected, while measured data is largely limited to segregated waste streams.
Fossil fuel consumption	Measurement uncertainty exists in relation to fuel consumption in generators, boilers and bulk gas usage, where consumption is estimated based on tank level reading and delivery records rather than continuous direct metering. This estimation approach may result in minor variances in reported consumption.

Errors

As this is the Group's first year of sustainability-related financial reporting prepared in accordance with SLFRS S1 and S2, no past-period errors have been identified. Any errors identified in subsequent reporting periods will be corrected in accordance with the applicable requirements of SLFRS S1 and S2.

GOVERNANCE

In line with the Group's evolving sustainability agenda and the increasing focus on structured oversight of sustainability- and climate-related matters, the ESG and Sustainability Steering Committee was established to provide a dedicated Group-level forum to coordinate, monitor and guide sustainability- and climate-related initiatives across sectors. The Committee brings together cross-functional expertise and serves as the primary conduit between sector-level management, the Group Executive Committee and the Board, supporting consistent oversight, informed decision-making and effective escalation of material sustainability impacts, risks and opportunities.

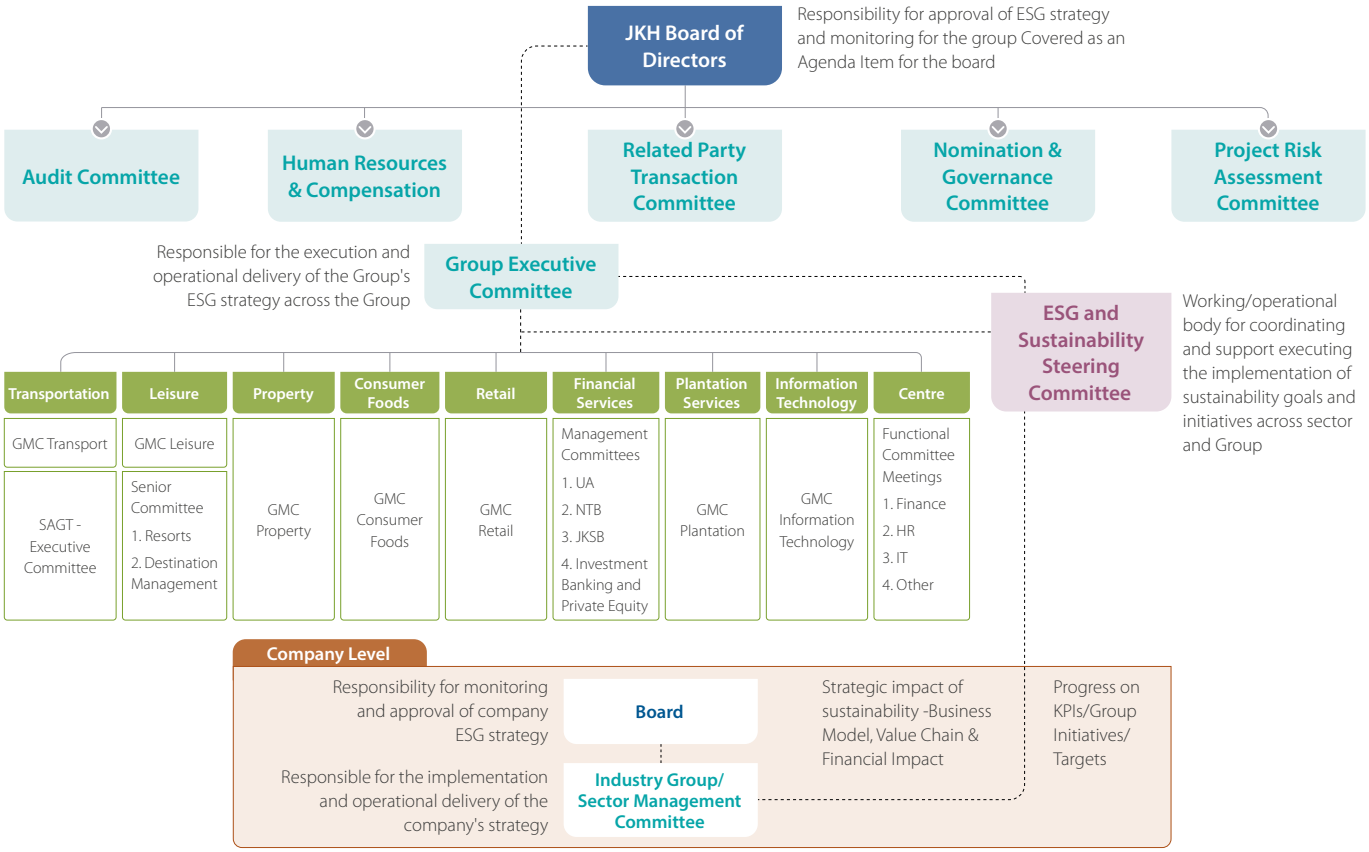
Sustainability Governance

[SLFRS S1.26, 27a(I-v), S2.5, 6a(I-v)]
[SLFRS S1.26, 27b(I-ii), S2.5, 6b(i-ii)]

The Board holds ultimate responsibility for overseeing of the Group's sustainability impacts on the economy, environment and people, sustainability- and-climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Group's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and Sector- Level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1 and S2 on clear processes, controls and procedures for monitoring and managing sustainability- and climate-related matters, while the same simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the Global Reporting Initiative (GRI) Standards.

Governance structure of the ESG and Sustainability Steering Committee:



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

Within this framework, sustainability and climate governance is underpinned by clearly defined roles and responsibilities across the Board of Directors, the Group Executive Committee, the ESG and Sustainability Steering Committee and management. It also incorporates structured delegation and escalation mechanisms across sector-level Group Management Committees, supported by defined information flows and reporting frequencies. Sustainability- and climate-related considerations are integrated into the Group's strategy, enterprise risk management framework and key decision-making processes. The framework further includes established controls and procedures, performance monitoring mechanisms and processes for the development of targets.

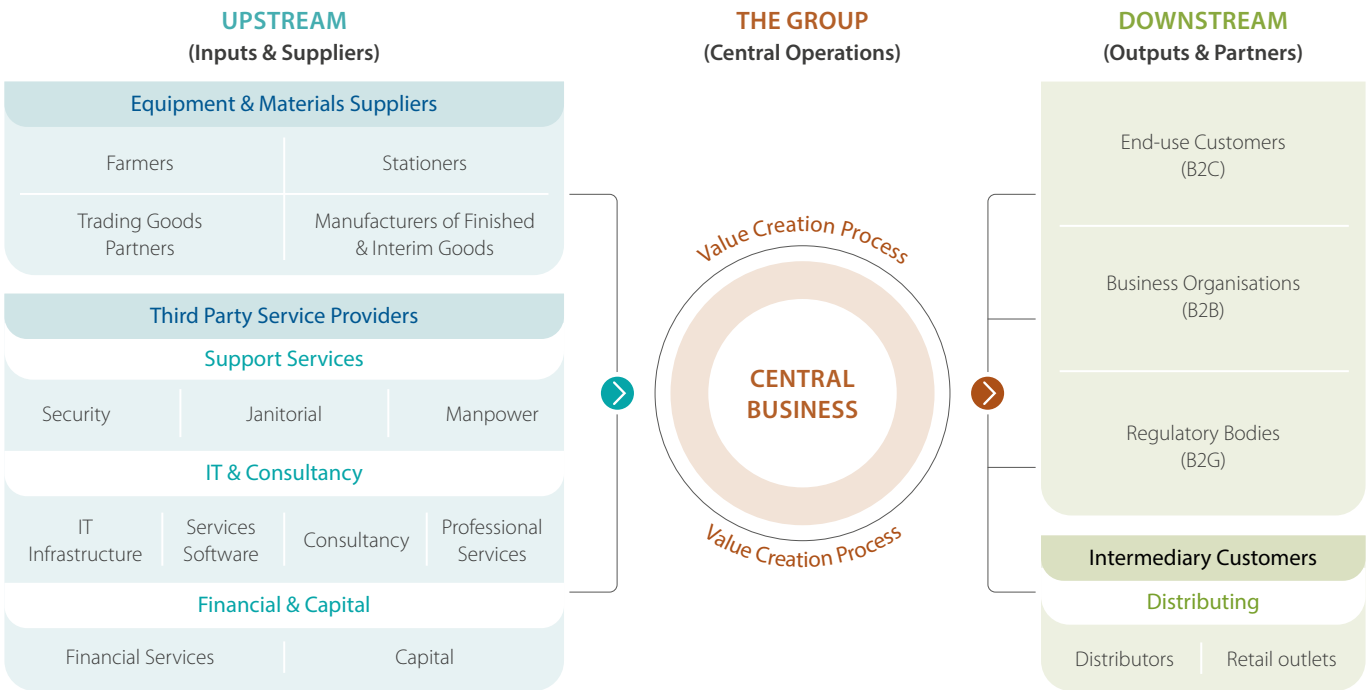
Refer section 4.7 Sustainability Governance of the Corporate Governance Commentary for information on; Governance: roles, mandates, procedures, The Board, Group Executive Committee, ESG and Sustainability Steering Committee, Management's Responsibilities and Role, Integration into Strategy and Decisions, and Targets, Monitoring, and Remuneration – Page 337.

STRATEGY

Business Model and Value Chain

The Group's value chain comprises upstream suppliers of equipment, materials, and third-party services, central operations where value is created, and downstream stakeholders including end-use customers, business clients, distributors, retail outlets, and regulatory bodies. The ESG and Sustainability Steering Committee evaluates impacts, risks, and opportunities across this value chain using a double materiality approach, assessing both external impacts and financial implications arising from value chain dependencies, in alignment with SLFRS S1 and S2 requirements.

Refer Our Business Model section to explore how our Business Model shapes and directs our widely diversified operations and activities – page 48.



SLFRS S1 AND S2 DISCLOSURES

Sustainability- and Climate-Related Risks and Opportunities (SRROs and CRROs)

[SLFRS S1.30, S2.10]

Time Horizons		
Short term	<1 year	●
Medium term	>1 year to 5 years	●
Long term	> 5 years	●

Sustainability- and Climate-Related Risks

Code	Sustainability-and Climate-Related Risks *[SLFRS S1.30, SLFRS S2.10(a)–(c)]*	Time Horizon	Affected Area *[SLFRS S1.32(b), SLFRS S2.13(b)]*
CR1	**Impact to assets and operations due to acute physical risks** Increasing frequency and intensity of flooding, cyclones, and extreme rainfall may damage assets, disrupt operations and logistics, interrupt utilities, and restrict access for employees, suppliers, and customers, resulting in service delivery disruptions, downtime, and higher repair and insurance costs.	●●	» Operational sites located in flood-prone or high-risk weather zones » Distribution centres and logistics hubs » Buildings and physical infrastructure requiring repairs. *Locations of operational sites impacted by climate-related weather events are shown in the map below.*
CR2	**Disruption to supply chain due to acute physical risks** In Sri Lanka, more frequent floods, droughts, and extreme weather may disrupt the supply of raw materials, supplier operations, and transport, leading to shortages, delays, and higher costs.	●●	» Farmer networks and other raw material suppliers dependent on stable weather for crop yields. » Inbound logistics routes exposed to flooding and transport delays. » Third-party transporters facing weather-related operational interruptions. » Distribution centres and warehouses are reliant on timely deliveries. *Locations of operational sites impacted by climate-related weather events are shown in the map below.*
CR3	**Energy volatility and transition to low carbon alternatives** The transition towards renewable energy and volatility in local energy prices may require investment in renewable energy, energy-efficient equipment or increase energy costs, affecting operational costs.	●●	» All operational sites » Hotels and resorts » Manufacturing facilities » Retail outlets
SR1	**Skilled labour shortage and retention risk** The inability to attract and retain required talent and shortage of skilled workforce may reduce productivity, disrupt production continuity, increase safety incidents, impair quality, and affect service levels, ultimately reducing customer satisfaction and sales and increasing training and recruitment costs.	●●	» Customer- facing operations » Production facilities » Service based operations » Transport and logistics operations
SR2	**Risk of cybersecurity threats and breaches of data privacy** Increased collection and processing of customer personal data across hotels, retail, e-commerce platforms, and loyalty programmes may expose the Group to risks of unauthorised access, data breaches, or misuse of customer information, leading to loss of customer trust, reputational damage, regulatory non-compliance, and potential financial penalties.	●●	» Customer-facing digital platforms (e-commerce, loyalty programs) » Hotel property management systems » Specific operations relating to financial services and IT. » Enterprise systems and other core operational applications. » IT infrastructure, networks and data centres
SR3	**Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents** Deviations from approved standard operating procedures (SOPs) may result in product quality, customer health and safety concerns, food safety, marketing communications or labelling incidents. Such failures could lead to customer injury or food-borne illness, regulatory non-compliance, legal claims, reputational damage and financial loss.	●●	» Hotels and resorts » Retail outlets » Food manufacturing and processing facilities » Supply chain partners. » Quality assurance, compliance and operational teams.

Code	Sustainability-and Climate-Related Risks *[SLFRS S1.30, SLFRS S2.10(a)–(c)]*	Time Horizon	Affected Area *[SLFRS S1.32(b), SLFRS S2.13(b)]*
SR4	**Disposing plastic, packaging and hazardous waste and meeting EPR requirements** Stricter local regulations including EPR and rising expectations to reduce waste and plastic use may increase compliance costs and require changes to waste handling and packaging practices. Increased volume of hazardous waste stemming from NEV business may further intensify waste management and compliance challenges.		» Manufacturing facilities generating plastic, packaging » Retail businesses with significant packaging use and EPR obligations. » Hotels and leisure properties producing operational waste. » Supplier interfaces contributing to upstream packaging waste. » Downstream waste-collection, recycling and disposal systems.
SR5	**Inadequate infrastructure and facilities for waste disposal leading to landfill dependency** Inadequate infrastructure leading to waste management through landfill mechanisms only may result in, reputational damage, loss of customer trust, and reduced sales or increased cost of disposal through third parties.		» Operational sites with limited on-site disposal capacity » Manufacturing and processing facilities generating solid and hazardous waste. » Supermarkets and hotels dependent on timely waste collection.
SR6	**Water scarcity and deterioration of water quality** Water scarcity or deterioration in water quality may increase cost of water and disrupt business continuity; challenges in regulatory compliance, social and environmental related risks from poor effluent management.		» Leisure and manufacturing operations with high water use and wastewater discharge. » Manufacturing facilities where operations depend on reliable access to clean water for processing.

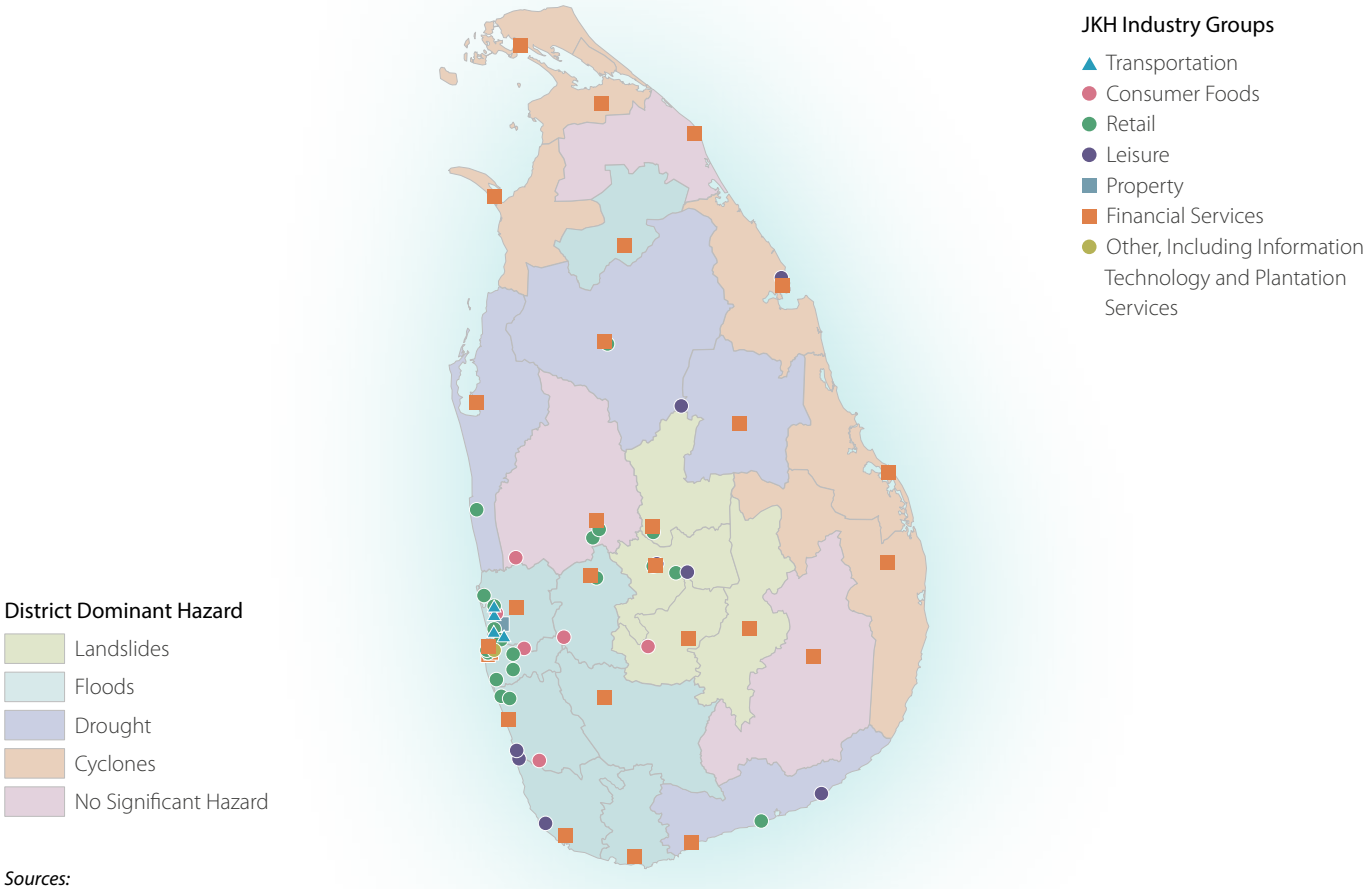
Sustainability- and Climate-Related Opportunities

Code	Sustainability-and Climate-Related Opportunities *[SLFRS S1.30, SLFRS S2.10(a)–(c)]*	Time Horizon	Affected Area *[SLFRS S1.32(b), SLFRS S2.13(b)]*
CO1	**Investment in renewable energy** Investing in renewable energy, such as solar and other clean-energy solutions, presents an opportunity to reduce operating costs, lower dependence on grid electricity and fossil fuels, and improve energy security. Over time, renewable-energy investments can protect the Group from energy price volatility, support operational resilience, and contribute to emissions reduction goals while enhancing long term cost stability and sustainability performance.		» Energy-intensive operations, including hotels, resorts and manufacturing facilities » Retail outlets and distribution centres with high electricity demand » Office buildings and mixed-use developments suitable for rooftop Transport and logistics operations transitioning toward cleaner energy alternatives
SO1	**Sustainable finance and investment** To tap into sustainable financing for sustainability- related projects and investments, enabling the organisation to support long term environmental and social initiatives while optimising capital allocation and strengthening its sustainable growth strategy.		» Corporate finance functions, including treasury operations, group-level financial reporting, budgeting, and capital allocation activities and determination of the Group's weighted average cost of capital. » Operational facilities, comprising offices, manufacturing sites, logistics hubs, retail locations » Capital projects, including ongoing and planned investments.
SO2	**Cross-sector circular economy solutions** Collaborating with suppliers, customers and other stakeholders to reduce waste, reuse materials and improve resource efficiency creates opportunities to lower operating costs, reduce reliance on virgin raw materials and support compliance with environmental regulations. Over time, cross-sector circular-economy solutions can enhance operational resilience, improve cost stability and strengthen sustainability performance across the value chain.		» Manufacturing and processing facilities » Packaging lines and material-handling operations » Warehouses and distribution centres generating packaging » Retail and customer-facing operations enabling recycling, take-back and responsible-consumption initiatives » Waste management and recycling partners supporting circular-economy collaboration

Code	Sustainability-and Climate-Related Opportunities *[SLFRS S1.30, SLFRS S2.10(a)–(c)]*	Time Horizon	Affected Area *[SLFRS S1.32(b), SLFRS S2.13(b)]*
SO3	**Ecosystem conservation and restoration to support nature-based demand** Investing in ecosystem conservation and restoration enhances the attractiveness of natural destinations and supports nature-based demand, particularly in sectors reliant on environmental quality. By protecting and restoring ecosystems, the Group can strengthen destination appeal, support sustained customer demand, enhance brand value, and improve the resilience of operations that depend on natural assets, while creating long term environmental and social value through collaboration with communities and partners.	●●	» Leisure sector operations, including resorts located in coastal and biodiversity-sensitive areas, and in close proximity to protected natural habitats as well as destination management services.
SO4	**Efficient effluent/wastewater management** Efficient effluent and wastewater management presents an opportunity to reduce dependence on freshwater withdrawals, manage regulatory and environmental risks, and lower long term operating costs. By investing in improved treatment, recycling and reuse systems, the Group can enhance operational resilience in water-intensive businesses, ensure regulatory compliance, and strengthen environmental stewardship, particularly in locations exposed to water stress.	●●	» Leisure sector locations, primarily comprising hotels and resorts. » Manufacturing and processing facilities » On-site effluent and wastewater treatment plants within operational boundaries.

Regions Exposed to Climate-Related Physical Risks

Illustrative map of natural hazard distribution in Sri Lanka and the locations of business units (2023-2025)



Sources:
National Disaster Relief Services Centre (NDRSC), Sri Lanka - District wise Disaster Summary 2023-2025
Sri Lanka Disaster Management Centre (DMC) - Official drought and flood bulletins (2023-2025)
National Building Research Organisation (NBRO) – Landslide hazard warnings and reports (2023-2025)

Note - Individual retail outlets and UA branches are not plotted separately; instead, a single marker indicates the presence of supermarket and insurance operations within each district.

Detailed Disclosures of SRROs and CRROs

CR1	Impact to assets and operations due to acute physical risks	
Description of risk	Increasing frequency and intensity of flooding, cyclones, and extreme rainfall may damage assets, disrupt operations and logistics, interrupt utilities, and restrict access for employees, suppliers, and customers, resulting in service delivery disruptions, downtime, and higher repair and insurance costs.	
Risk category	Acute physical risks of climate change	
Time horizon	Short – medium term	
Business Model and Value Chain *[SLFRS S1.32, S2.13]*		
Current and anticipated effects on the business model and value chain	Flooding and heavy rainfall may disrupt operations by causing site access issues, equipment damage, utility interruptions, and delays in logistics, leading to downtime, higher repair and maintenance needs, and increased operating costs. These effects are expected to intensify, with more frequent weather-related incidents causing higher exposure to asset damage, greater volatility in operating continuity, and growing requirements for climate-resilient infrastructure, emergency preparedness, and capital investment across operational sites.	
Where the risk is concentrated in the business model and value chain	The risk is concentrated at operational sites, distribution centres, logistics hubs, and coastal or flood-prone properties, where physical assets, utilities, and access routes are most exposed to weather-related damage. It also affects staff, supplier and customer access, creating operational delays across Consumer Foods, Retail, Leisure, Property and Transport sectors dependent on uninterrupted site operations.	
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*		
Current effects and anticipated changes to the business model	**Current**	Allocation of capital and operating resources to asset protection, maintenance, and insurance at climate-exposed locations is carried out.
	Anticipated	The business model is progressively shifting toward strengthened resilience of physical assets, including enhanced maintenance, climate-resilient design standards and continuity planning. Over time, the Group will increasingly depend on infrastructure upgrades, utility redundancy, improved drainage and site protection measures to reduce downtime and ensure operational reliability in high-risk locations.
Current and anticipated mitigation strategies and adaptation efforts	**Direct**	The Group currently mitigates asset-related risks through preventive maintenance, structural inspections, emergency response plans, backup power, and staff training. Over the medium to long term, the Group plans to integrate climate-resilient design features such as flood barriers, strengthened structures, improved drainage, and redundant utilities through a climate change adaptation transition plan, while coordinating with insurers and authorities to minimise disruption and recovery time.
	Indirect	Indirect efforts focus on collaboration with insurers, utilities, local authorities and service providers to manage physical-risk impacts. Current actions include coordinating with external parties for emergency responses, infrastructure access, utility restoration, and insurance coverage updates. Over the medium to long term, the Group aims to strengthen partnerships for climate-resilient infrastructure planning, enhanced continuity of utilities, and faster post-event recovery through improved external coordination and shared risk-management practices.
Plans to achieve related climate-linked targets	Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. We remain committed to transparency and will disclose our specific targets, associated timelines, and progress once the target-setting process has been finalised.	

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
These pressures unless mitigated could lead to asset impairments in the short, medium and long term.	These pressures could result in increased operating and repair costs, impacting overall cost efficiency. Higher insurance-related provisions and increased insurance premiums may lead to elevated cost burdens for the business in the short and medium term.	In certain instances, alternative sourcing at premium prices may be required to mitigate operational disruptions leading to greater working capital cycles in the short and medium term.	The overall impact on cost of capital is expected to be insignificant, as such disruptions do not typically result in immediate changes to credit ratings or borrowing terms.

CR2	Disruption to supply chain due to acute physical risk	
Description of risk	In Sri Lanka, more frequent floods, droughts, and extreme weather may disrupt the supply of raw materials, supplier operations, and transport, leading to shortages, delays, and higher costs.	
Risk category	Acute physical risk of climate change	
Time horizon	Short - medium term	
Business Model and Value Chain *[SLFRS S1.32, S2.13]*		
Current and anticipated effects on the business model and value chain	Disruptions to the supply chain arising from acute physical climate events such as flooding, heavy rainfall, may cause delays in the receipt of raw materials, increased reliance on buffer inventories, higher logistics costs, and operational inefficiencies across Consumer Foods, Retail, Leisure, and Transport industry groups. These conditions are expected to intensify over time, leading to more frequent supply shortages, increased working capital requirements, greater procurement complexity, and potential production shortfalls as climate-related events become more severe. In the long term, heightened supply volatility and climate-driven agricultural impacts may require changes in the business model.	
Where the risk is concentrated in the business model and value chain	This risk is concentrated primarily in the upstream segment, particularly suppliers, farmer networks, and raw-material providers located in climate-sensitive regions along with inbound logistics routes that are vulnerable to flooding and weather-related disruption. Internal operations, including distribution centres, warehouses, and manufacturing sites that depend on timely inbound deliveries, may also be exposed. Additionally, Retail, Leisure, and Consumer Foods businesses may also face shortages, reduced service levels, and customer-experience impacts when supply delays interrupt product availability or fulfilment cycles.	
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*		
Current effects and anticipated changes to the business model	**Current**	Acute weather events may disrupt deliveries, causing delays, higher logistics costs, and the need for buffer inventory. Business units adjust sourcing schedules, use alternative routes and transporters during such events, and engage suppliers more closely to maintain production and service continuity, particularly in Consumer Foods and Retail industry group.
	Anticipated	Supply volatility is shifting the business model toward flexible sourcing, alternate suppliers, and higher safety-stock levels. Over time, the model will increasingly rely on diversified multi-region sourcing, more resilient logistics structures, climate-resilient farming networks and more adaptive production and inventory planning to manage rising weather-related disruptions which would require the business model to adapt to newer forms of sourcing models, expanded supplier diversification, and enhanced logistics resilience across the Group.
Current and anticipated mitigation strategies and adaptation efforts	**Direct**	The Group mitigates disruptions through alternate suppliers, buffer inventories, multiple transport options and close supplier coordination, while adapting through flexible delivery and schedule adjustments during adverse weather. Longer term plans include expanding diversified sourcing networks, supporting climate-resilient farming, strengthening logistics and warehousing resilience and improving weather-risk monitoring to ensure supply continuity.
	Indirect	Indirect efforts focus on working with suppliers, transport partners and customers to reduce the impact of weather-driven supply disruptions. Current actions include ongoing coordination with suppliers and logistics providers to manage delivery risks, flexible delivery windows, and providing customers with alternative product options. Over time, the Group intends to deepen collaboration across the value chain by supporting suppliers in climate-resilient practices, strengthening third-party logistics arrangements, and improving shared forecasting and early-warning processes to build broader value-chain resilience in conjunction with multilateral funding agencies. *Refer Social and Relationship Capital Review for further information – page 113.*
Plans to achieve related climate-linked targets	Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. We remain committed to transparency and will disclose our specific targets, associated timelines, and progress once the target-setting process has been finalised.	

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Investments in development of alternate suppliers and storage facilities are anticipated in the short to medium term.	Current effects include Supply chain disruptions, which may result in higher working capital requirements due to the need to maintain inventory buffers and make advance payments to suppliers. Rising input and logistics costs, including higher freight charges and premium pricing for alternative sourcing, could exert pressure on operating margins in the short, and medium term.	Increased cash outflows driven by elevated inventory purchases and advance supplier payments could result in increased working capital cycles in the short to medium term.	The overall impact on cost of capital is expected to be insignificant, as such disruptions do not typically result in immediate changes to credit ratings or borrowing terms.

CR3	Energy volatility and transition to low carbon alternatives	
Description of risk	The transition towards renewable energy and volatility in local energy prices may require investment in renewable energy, energy-efficient equipment or increase energy costs, affecting operational costs.	
Risk category	Transition risk of climate change	
Time horizon	Medium – long term	
Business Model and Value Chain *[SLFRS S1.32, S2.13]*		
Current and anticipated effects on the business model and value chain	Volatile electricity and fuel prices and increased grid instability have exerted pressure on operating costs during the year and could affect efficiency across the Group's operations. These pressures, together with emerging low-carbon transition requirements, are expected to increase the need for energy-efficient technology, renewable-energy adoption and resilient energy infrastructure. Over time, the business model will need to adapt through greater investment in clean-energy solutions, improved energy management and reduced dependence on fossil-fuel-based energy systems.	
Where the risk is concentrated in the business model and value chain/ location of the risk	The risk is concentrated in energy-intensive operations, including hotels, manufacturing facilities, distribution centres, cold-chain operations and retail outlets reliant on continuous refrigeration and lighting. Transport and logistics networks, office buildings and mixed-use developments are also affected due to dependency on grid electricity and fuel. Capital-heavy sectors face increased exposure to rising energy costs and requirements for renewable energy and efficiency-related upgrades.	
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*		
Current effects and anticipated changes to the business model	**Current**	Rising electricity tariffs, fuel price fluctuations and grid instability are increasing operating expenses and creating short term inefficiencies in cooling, processing and logistics. Management must regularly adjust operations, monitor consumption closely and optimise equipment usage to manage cost pressures and maintain performance.
	Anticipated	The business model is gradually shifting toward stronger energy-management practices, efficiency upgrades and selective adoption of solar and other renewable solutions. Over the medium to long term, the Group is expected to expand renewable-energy adoption, improve equipment efficiency, redesign energy-intensive processes and reduce dependence on fossil fuels through cleaner technologies and supplier engagement in low-carbon transition efforts.
Current and anticipated mitigation strategies and adaptation efforts	**Direct**	Current efforts include energy audits, efficiency improvements in HVAC, lighting and equipment, and selective installation of solar panels across sites. The Group is also optimising fuel usage, implementing monitoring systems and promoting energy-efficient behaviours. Over time, planned mitigation includes broader renewable-energy adoption, green-building certifications, and infrastructure upgrades.
	Indirect	Indirect efforts include collaborating with utilities, regulators and energy-service providers to manage supply risks and support the transition toward cleaner energy. The Group also works with logistics partners to encourage lower-emission fleets and with equipment suppliers to adopt more efficient technologies. Over time, the Group expects to strengthen partnerships on renewable-energy integration, grid-stability improvements and shared energy-efficiency initiatives across the value chain.
Plans to achieve related climate-linked targets	The Group's climate targets are currently in development, informed by a detailed baseline data assessment that is underway. The Group remains committed to transparency and will disclose specific targets, associated timelines, and progress once the target-setting process has been finalised.	

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Anticipated incremental capital investment as the Group upgrades equipment, improves energy efficiency, and installs renewable energy systems such as solar installations. Asset values may rise due to the addition of new energy-related infrastructure in the medium term. Lower dependence on grid energy strengthens long term asset resilience, with owned renewable-energy infrastructure reducing exposure to external energy-market volatility in the long term.	Current operating costs increases due to volatile electricity tariffs, fuel price fluctuations and higher cooling and processing requirements, putting pressure on margins. Depreciation and maintenance costs increases are expected as the Group invests in energy-efficient equipment and renewable-energy systems in the short to medium term Profitability improves as renewable-energy adoption and efficiency upgrades stabilise energy costs and reduce exposure to volatile fuel and grid prices over the medium to long term.	Minimal current impacts other than routine operational spending on audits and efficiency-related administrative activities. Significant anticipated cash outflows arise from investments in solar installations, energy-efficient equipment and infrastructure upgrades in the medium term. More stable operating cash flows emerge as reliance on externally supplied energy reduces and cost savings from renewable-energy generation increase in the medium to long term.	No significant impact in the current period and short term on borrowing terms or credit ratings. As transition efforts, risks and capital requirements rise, lenders may apply modest risk adjustments based on exposure to energy volatility and transition readiness in the medium term. Improved cost of capital is possible if renewable-energy adoption and efficiency improvements strengthen long term resilience and reduce operational risk exposure combined with sustainable finance options in the medium to long term.

SLFRS S1 AND S2 DISCLOSURES

SR1	Skilled labour shortage and retention risk
Description of risk	The inability to attract and retain required talent and shortage of skilled workforce may reduce productivity, disrupt production continuity, increase safety incidents, impair quality, and affect service levels, ultimately reducing customer satisfaction and sales and increasing training and recruitment costs.
Risk category	Sustainability-related risk
Time horizon	Short – medium term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Shortages of skilled labour are already affecting productivity, operational efficiency and service quality across customer-facing, production and technical functions. Higher overtime, replacement labour and recruitment costs are increasing operational expenditure, while gaps in skills and experience elevate safety risks and reduce process reliability. Over time, unforeseen labour shortages may require changes in workforce planning, greater dependence on outsourced labour, increased investment in training and automation, and redesigned operating models to ensure service continuity and maintain quality standards across the value chain.
Where the risk is concentrated in the business model and value chain/ location of the risk	The risk is concentrated in labour-intensive and customer-centric operations, including hotels, retail outlets, food manufacturing, logistics, and transport services. It also affects technical functions, outsourced service providers and contractor-dependent roles where skill availability directly influences productivity, service levels and compliance with safety and quality standards.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Management has responded by strengthening talent acquisition, training and development initiatives, implementing structured retention programmes and improving workforce planning to stabilise operations. Short term decisions include increasing engagement with service providers, adjusting staffing schedules and reinforcing safety and compliance processes to manage immediate skill gaps. *Refer Human Capital Review for further information – page 95.*
Progress to date	The Group has expanded internal training programmes, enhanced health and safety controls, improved employee engagement initiatives and strengthened recruitment practices
Trade-offs considered	To manage labour shortages, the Group balances the cost of hiring, training and retention initiatives against the need to maintain service quality and operational continuity. Trade-offs include higher short term spending on overtime, talent development and competitive remuneration versus the risk of productivity losses, safety incidents and decline in customer-service if skill gaps persist. The Group also weighs reliance on outsourced labour and automation against long term capability development within core teams.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Increased provisions for overtime, temporary labour, and recruitment costs in the short term.	Contribute to higher staff-related and productivity costs in the short term.	Recurring cash outflows may increase arising from staff related expenditure in the short term with stabilised cash outflows in the medium to long term.	The cost of capital impact is assessed to be insignificant.

SR2	Risk of cybersecurity threats and breaches of data privacy
Description of risk	Increased collection and processing of customer personal data across hotels, retail, e-commerce platforms, and loyalty programmes may expose the Group to risks of unauthorised access, data breaches, or misuse of customer information, leading to loss of customer trust, reputational damage, regulatory non-compliance, and potential financial penalties.
Risk category	Sustainability-related risk
Time horizon	Short – medium term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	The Group's increasing reliance on digital platforms, enterprise systems and customer data has elevated exposure to cybersecurity threats and data-privacy risks. Cyber incidents or data breaches could disrupt business operations, increase compliance and remediation costs, result in regulatory penalties, and damage customer trust and brand reputation. As digitalisation expands across business units, the potential scale and impact of cyber risks are expected to increase, requiring continued investment in secure systems, data governance and resilience of digital processes across the value chain.
Where the risk is concentrated in the business model and value chain/ location of the risk	This is concentrated in customer-facing digital platforms, including e-commerce, loyalty programmes and online payment systems; core enterprise systems such as SAP and hotel property-management systems; IT infrastructure and networks; and third-party service providers that process or store Group data. Downstream impacts may occur where service delivery or customer interactions rely on uninterrupted access to secure systems.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Cybersecurity and data-privacy considerations are embedded into technology, digital-transformation and risk-management decisions. Management prioritises investments in secure IT architecture, data governance, system monitoring and staff awareness to protect business continuity and customer trust. Strategic decisions also consider regulatory compliance requirements and the need to manage third-party data-handling risks. *Refer Intellectual Capital Review for further information – page 129.*
Progress to date	The Group has strengthened its cybersecurity and data governance posture through enhanced access control, data encryption, continuous system monitoring, target employee training and comprehensive incident-response planning. Robust data-governance frameworks aligned with applicable data-protection regulations have been implemented, supported by system upgrades, secure backups, third-party due diligence processes, and ongoing compliance reviews across business units.
Trade-offs considered	In managing cybersecurity and data-privacy risks, the Group balances the cost of system upgrades, monitoring tools and compliance controls against operational efficiency and business agility. Trade-offs include increased investment in security infrastructure and training versus the risk of disruptions, regulatory penalties and reputational damage arising from cyber incidents.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Limited direct balance-sheet impact, primarily reflecting provisions and investments related to IT system upgrades, cybersecurity controls, data governance frameworks and insurance coverage in the short to medium term.	Ongoing compliance, monitoring and system-maintenance activities increase operating expenses in the short to medium term.	Cash outflows relate mainly to routine system upgrades, cybersecurity monitoring and compliance activities in the short to medium term.	No significant changes to cost of capital is expected.

SLFRS S1 AND S2 DISCLOSURES

SR3	Risk of deviations from SOPs leading to product quality, safety, marketing communications and labelling incidents
Description of risk	Deviations from approved standard operating procedures (SOPs) may result in product quality, customer health and safety concerns, food safety, marketing communications or labelling incidents. Such failures could lead to customer injury or food-borne illness, regulatory non-compliance, legal claims, reputational damage and financial loss.
Risk category	Sustainability-related risk
Time horizon	Short – medium term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Deviations from approved standard operating procedures (SOPs) relating to product quality, safety, marketing communications and labelling may result in non-conforming products, customer injury, food-borne illness, misleading or inaccurate consumer information, regulatory penalties, legal claims, service disruptions and reputational damage. Such incidents may adversely affect occupancy levels, retail sales, customer confidence and brand value, particularly across customer-facing operations.
Where the risk is concentrated in the business model and value chain/ location of the risk	This risk is concentrated in hotels, resorts, restaurants and leisure operations, retail outlets handling perishable foods, food manufacturing and processing facilities, and customer-facing service areas. It also extends to upstream suppliers and logistics partners responsible for sourcing, handling and transporting food products, where failures can affect downstream service delivery and compliance.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Product quality, safety, marketing communications and labelling considerations are embedded into strategic and operational decision-making through approved standard operating procedures, quality-assurance frameworks and sector-specific standards. Management prioritises robust SOP governance, preventive controls, compliance with applicable regulatory and certification requirements, change-management discipline, continuous monitoring and staff training to minimise deviations, reduce incident risk and protect customer trust and brand integrity. *Refer Social and Relationship Capital Review for further information – page 113.*
Progress to date	The Group has implemented established food-safety and quality-management systems, regular internal and external audits, structured training programmes, incident-reporting mechanisms and product-recall procedures. Strong governance frameworks and sector-specific standards are in place across hotels, retail and food-processing operations to support consistent compliance and risk management.
Trade-offs considered	Managing this risk involves balancing the cost of stringent safety controls, audits and training against operational efficiency and cost pressures.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Quality and compliance-related provisions arising from regulatory, contractual, or operational requirements in the short term.	Ongoing costs related to training, audits, quality assurance, inspections and compliance activities increase operating expenses in the short, medium and long term.	Routine operating cash outflows relate to staff training, audits, safety inspections, quality assurance processes, certification costs and insurance coverage in the short, medium and long term.	No material impact on the cost of capital, with risks managed through established controls and insurance cover.

SR4	Disposing plastic, packaging and hazardous waste and meeting EPR requirements
Description of risk	Stricter local regulations including EPR and rising expectations to reduce waste and plastic use may increase compliance costs and require changes to waste handling and packaging practices. Increased volume of waste stemming from NEV business may further intensify waste management and compliance challenges.
Risk category	Sustainability-related risk
Time horizon	Medium – long term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Compliance with plastic, packaging, hazardous-waste and EPR requirements is increasing operational effort, monitoring and packaging-related costs across the Group, with supplier packaging contributing significantly to plastic waste. Over the medium to long term, stricter EPR regulations, expectations to reduce plastic use, and rising end-of-life hazardous waste will require changes to packaging and waste-handling practices, along with additional investment in compliant disposal and reverse-logistics systems, increasing long term costs across the value chain.
Where the risk is concentrated in the business model and value chain/ location of the risk	This risk is concentrated in manufacturing facilities, retail businesses and hotels, where plastic packaging, hazardous waste and end-of-life materials are generated. It also extends upstream to suppliers of supermarket and manufacturing business, where input packaging contributes to overall waste volumes, and downstream to waste-handling, recycling and disposal systems relied upon to meet EPR and regulatory requirements across multiple locations.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Waste reduction, recycling, packaging compliance and product end-of-life considerations are increasingly embedded into procurement and operating models. Management prioritises compliance with evolving plastic, hazardous-waste and EPR regulations, while balancing operational feasibility and cost impacts. Strategic decisions consider the need for compliant packaging materials, enhanced waste-segregation and monitoring processes, reverse-logistics arrangements and reliable third-party disposal systems to ensure regulatory adherence and continuity of operations. *Refer Natural Capital Review for further information – page 65.*
Progress to date	The Group has strengthened compliance with plastic management and waste-disposal regulations through enhanced monitoring, reinforced waste-handling controls and closer engagement with certified waste contractors.
Trade-offs considered	Trade-offs include short term cost pressures versus long term operational continuity and alignment with stakeholder expectations.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Capital investment required in compliant packaging systems, hazardous waste handling, recycling infrastructure and EPR-related systems in the short to medium term. Improved resource efficiency and reduced regulatory exposure as compliant systems mature in the medium to long term.	Limited costs of compliance and monitoring costs related to plastic, packaging and waste regulations in the current period and short term. Higher compliance, packaging and waste-management costs driven by EPR obligations and hazardous waste streams in the short to medium term. Cost efficiencies from waste reduction, improved material efficiency and stabilised compliance practices in the medium to long term.	Marginal increases in operating cash outflows due to higher packaging costs, enhanced compliance and monitoring activities in the current period and short term. Higher operating cash outflows from packaging compliance, reverse logistics and waste-management systems in the short to medium term. Reduced waste-related cash outflows as circular practices and efficient disposal systems stabilize in the medium to long term.	Limited impact on borrowing terms, unless instances of regulatory non-compliance or enforcement actions arise that increase perceived operational or compliance risk, in the short term. Sustained investment in compliant packaging, waste-reduction, reverse-logistics and hazardous-waste-management systems is expected to support a stable or potentially improved cost of capital by reducing long term regulatory non compliance.

SLFRS S1 AND S2 DISCLOSURES

SR5	Inadequate infrastructure and facilities for waste disposal leading to landfill dependency
Description of risk	Inadequate infrastructure leading to waste management through landfill mechanisms only may result in, reputational damage, loss of customer trust, and reduced sales or increased cost of disposal through third parties,
Risk category	Sustainability-related risk
Time horizon	Short - medium term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Dependence on inadequate waste-disposal infrastructure and limited capacity outside operational sites increases reliance on landfill disposal and third-party waste contractors. Any disruptions, non-performance or non-compliance by contracted parties or municipal facilities can directly affect the Group's ability to dispose of waste responsibly, increasing exposure to regulatory penalties, remediation costs and reputational damage. Failure to manage solid waste effectively may also lead to operational disruptions, loss of customer trust and reduced sales, particularly in customer-facing operations as well as potentially increasing cost of disposal due to limited waste management contractors in the market.
Where the risk is concentrated in the business model and value chain/ location of the risk	This risk is concentrated at operational sites with limited on-site disposal capacity, manufacturing and processing facilities generating solid and hazardous waste, and supermarkets and hotels dependent on timely waste collection, where effective waste handling is critical for operational continuity and regulatory compliance. It also affects waste storage and handling systems and operations reliant on third-party collection services, where disruptions may increase compliance, operational, and reputational risks.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Waste-disposal risks are integrated into operational planning and compliance management. The Group focuses on strengthening on-site waste segregation and storage, reducing landfill dependency and ensuring that external waste-disposal arrangements support regulatory compliance and continuity of operations. Decisions emphasise reliability of contracted service providers, availability of backup disposal options and compliance with waste-handling standards. *Refer Natural Capital Review for further information – page 65.*
Progress to date	Group has trained staff and established facilities for effective waste segregation and secure storage at sites. Recycling and composting facilities have been introduced where operationally feasible, supported by comprehensive waste segregation at source and food-waste reduction through inventory optimisation.
Trade-offs considered	The Group balances higher short term costs for compliant waste segregation, reliable contractors and backup disposal options against the risk of regulatory penalties, operational disruption and reputational damage arising from landfill dependency or disposal failures.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Internal waste segregation and infrastructure facilities with limited impact on asset values.	Incident-response costs and regulatory penalties may arise, with potential adverse effects on customer trust and sales if waste disposal failures occur in the short to medium term.	Emergency response and remediation-related operating cash outflows where disposal issues materialize and the need to choose expensive third party waste contractors in the short, and medium term.	No material impact identified.

SR5	Inadequate infrastructure and facilities for waste disposal leading to landfill dependency
Description of risk	Inadequate infrastructure leading to waste management through landfill mechanisms only may result in, reputational damage, loss of customer trust, and reduced sales or increased cost of disposal through third parties,
Risk category	Sustainability-related risk
Time horizon	Short - medium term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Dependence on inadequate waste-disposal infrastructure and limited capacity outside operational sites increases reliance on landfill disposal and third-party waste contractors. Any disruptions, non-performance or non-compliance by contracted parties or municipal facilities can directly affect the Group's ability to dispose of waste responsibly, increasing exposure to regulatory penalties, remediation costs and reputational damage. Failure to manage solid waste effectively may also lead to operational disruptions, loss of customer trust and reduced sales, particularly in customer-facing operations as well as potentially increasing cost of disposal due to limited waste management contractors in the market.
Where the risk is concentrated in the business model and value chain/ location of the risk	This risk is concentrated at operational sites with limited on-site disposal capacity, manufacturing and processing facilities generating solid and hazardous waste, and supermarkets and hotels dependent on timely waste collection, where effective waste handling is critical for operational continuity and regulatory compliance. It also affects waste storage and handling systems and operations reliant on third-party collection services, where disruptions may increase compliance, operational, and reputational risks.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Waste-disposal risks are integrated into operational planning and compliance management. The Group focuses on strengthening on-site waste segregation and storage, reducing landfill dependency and ensuring that external waste-disposal arrangements support regulatory compliance and continuity of operations. Decisions emphasise reliability of contracted service providers, availability of backup disposal options and compliance with waste-handling standards. *Refer Natural Capital Review for further information – page 65.*
Progress to date	Group has trained staff and established facilities for effective waste segregation and secure storage at sites. Recycling and composting facilities have been introduced where operationally feasible, supported by comprehensive waste segregation at source and food-waste reduction through inventory optimisation.
Trade-offs considered	The Group balances higher short term costs for compliant waste segregation, reliable contractors and backup disposal options against the risk of regulatory penalties, operational disruption and reputational damage arising from landfill dependency or disposal failures.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Internal waste segregation and infrastructure facilities with limited impact on asset values.	Incident-response costs and regulatory penalties may arise, with potential adverse effects on customer trust and sales if waste disposal failures occur in the short to medium term.	Emergency response and remediation-related operating cash outflows where disposal issues materialize and the need to choose expensive third party waste contractors in the short, and medium term.	No material impact identified.

SLFRS S1 AND S2 DISCLOSURES

SR6	Water scarcity and deterioration of water quality
Description of risk	Water scarcity or deterioration in water quality may increase cost of water and disrupt business continuity; challenges in regulatory compliance, social and environmental related risks from poor effluent management.
Risk category	Sustainability-related risk
Time horizon	Medium – long term
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Water scarcity and deterioration of water quality already influence operational continuity, cost structures and resource allocation across the Group, particularly in water-intensive operations. Periodic water shortages, supply interruptions and risks of contamination during flooding-events have increased reliance on stored or purchased water and heightened compliance requirements. Over time, changing rainfall patterns, increasing water stress and more frequent extreme weather events may further disrupt operations, increase water-management costs and require additional investment in water-efficiency measures, alternative water sources, recycling and treatment infrastructure. Failure to adequately manage water availability and quality could lead to production or service disruptions, regulatory action and reputational impacts across the value chain.
Where the risk is concentrated in the business model and value chain/ location of the risk	This risk is concentrated in manufacturing facilities, hotels and leisure properties, and other water-intensive operations where reliable access to clean water is critical for production, guest services and regulatory compliance. It also affects food and beverage operations, on-site water treatment and storage systems, and operations located in water-stressed or flood-prone regions, where risks related to availability, quality and contamination are heightened.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Water availability and quality considerations are embedded into operational planning, resource allocation and capital-investment decisions. Management prioritises water-efficient operations, responsible withdrawal and discharge, including discharge quality, protection of water quality, and securing reliable water sources in water stressed locations. The Group intends to enhance its due diligence on long term water security, treatment capacity, recycling potential and water-risk exposure when planning facility upgrades, expansions and operational continuity measures in future strategic decision-making. *Refer Natural Capital Review for further information – page 65.*
Progress to date	The Group has implemented water-efficiency initiatives, wastewater recycling and treatment upgrades, monitoring systems and strict compliance controls across key water-dependent operations. Water withdrawal is monitored across all Group locations in efforts to conserve fresh water and reduce stress on water sources, thereby reducing risks of water scarcity.
Trade-offs considered	Managing water-scarcity and water-quality risks involves balancing higher capital and operating costs for water-efficiency measures, treatment, recycling and alternative water sourcing against the risk of operational disruptions, regulatory non-compliance, increased water-procurement costs and potential reputational damage arising from inadequate water availability or quality.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Limited balance-sheet impact, with continued reliance on existing water-management assets and short term mitigation measures to manage current and short term water shortages and quality risks. Capital expenditure may increase to upgrade water-efficiency assets, expand treatment and recycling infrastructure, optimise RO plants, and enhance monitoring systems and measures aimed at safeguarding asset value over the medium and long term.	Marginal increases in operating expenses related to higher water-management costs, increased monitoring, treatment requirements and compliance costs in the short to long term. Higher operating and maintenance costs may arise from expanded water-treatment capacity, recycling systems, stricter compliance obligations and increased oversight in water-stressed or flood-prone locations in the medium to long term. Reduced disruption-related costs through improved resilience and risk management in the medium to long term.	Incremental operating cash outflows related to enhanced monitoring, increased treatment and purification requirements, temporary water purchases and corrective actions to manage water-quality and supply risks in the short to medium term. Enhanced stability and predictability of operating cash flows over the medium to long term.	No significant impacts identified.

CO1	Investment in renewable energy	
Description of opportunity	Investing in renewable energy, such as solar and other clean-energy solutions, presents an opportunity to reduce operating costs, lower dependence on grid electricity and fossil fuels, and improve energy security. Over time, renewable energy investments can protect the group from energy price volatility, support operational resilience, and contribute to emissions reduction goals while enhancing long term cost stability and sustainability performance.	
Time horizon	Long term	
Opportunity category	Climate-related opportunity	
Business Model and Value Chain *[SLFRS S1.32, S2.13]*		
Current and anticipated effects on the business model and value chain	Initial investments in renewable energy, such as on-site solar installations and energy-efficiency initiatives, have begun to partially offset dependence on grid electricity and fossil fuels, contributing to lower energy costs and reduced exposure to grid instability. Over time, increased investment in renewable-energy infrastructure is expected to enhance energy security, stabilise operating costs and support emissions-reduction objectives. This opportunity may reshape the business model by increasing ownership of energy assets, improving operational resilience in energy-intensive activities, and embedding clean-energy sourcing into core operations across the value chain.	
Where the opportunity is concentrated in the business model and value chain / location of the risk	This opportunity is concentrated in energy-intensive operations, including hotels, resorts, manufacturing and processing facilities, retail outlets, warehouses, and distribution centres. It is also relevant to office buildings and mixed-use developments with suitable rooftop or land space for renewable installations, and extends to transport and logistics operations where cleaner energy alternatives can reduce fuel dependence.	
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*		
Current effects	Rising energy costs, grid-reliability concerns and the need to reduce exposure to fossil-fuel price volatility are already influencing operational and capital allocation decisions. Management considers renewable energy options alongside energy-efficiency measures when planning upgrades, expansions and new developments, particularly in high consumption locations.	
Current and anticipated changes to the business model	The business model is gradually evolving to incorporate on-site renewable-energy generation and improved energy management practices. Over the medium to long term, the Group is expected to expand renewable energy adoption across suitable sites, integrate clean-energy considerations into asset design and refurbishment, and reduce reliance on externally supplied grid electricity. These changes are intended to improve cost predictability, enhance operational resilience and support long term sustainability objectives.	
Current and anticipated mitigation strategies and adaptation efforts	**Direct**	Current efforts include selective installation of solar panels subsequent to undertaking energy audits, and energy consumption monitoring across operations. Over time, the Group plans to scale renewable energy investments in the medium to long term.
	Indirect	Indirect efforts focus on collaboration with utilities, energy-service providers, regulators, technology suppliers and logistics partners to support the transition to cleaner energy sources. Over the medium to long term, the Group will seek to strengthen value chain collaboration by encouraging suppliers and service providers to adopt renewable energy, improve shared energy-efficiency practices, and support grid-stability and infrastructure initiatives that enhance system resilience and reduce transition risks across operations.
How the entity plans to achieve related climate-linked targets	The Group's climate targets are currently in development, informed by a detailed baseline data assessment that is underway. The Group remains committed to transparency and will disclose our specific targets, associated timelines, and progress once the target-setting process has been finalised.	

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Limited impact on the financial position, with minor capital commitments related to pilot renewable energy projects, planning activities and preliminary system upgrades in the short term. Investments in renewable energy infrastructure, such as on-site solar installations, increase capital assets and strengthen the organization's financial position whilst, ownership of renewable energy assets reduces dependence on grid electricity while lowering long term exposure to energy price fluctuations and supply risks in the medium to long term.	Cost savings arising from avoidance of fossil based energy sources in the short term. Improved margins driven by more efficient use of resources in the medium term. More stable margins due to reduced exposure to global fuel price volatility in the long term.	Minor implementation-related costs in the immediate short term. Investment related cash outflows on renewable energy projects in the short to medium term. More stable operating cash flows, with reduced exposure to energy price volatility in the medium to long term.	No material impact on the cost of capital while investments remain limited and projects are funded within existing capital arrangements in the short term. Expanding renewable energy investments may improve access to green financing, reduce funding costs, and support a more stable cost of capital by enhancing operational resilience and sustainability performance in the medium to long term.

SLFRS S1 AND S2 DISCLOSURES

S01	Sustainable finance and investment
Description of opportunity	To tap into sustainable financing for sustainability-related projects and investments, enabling the organisation to support long term environmental and social initiatives while optimising capital allocation and strengthening its sustainable growth strategy.
Time horizon	Medium- long term
Opportunity category	Sustainability-related opportunity
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Growing availability of sustainability-linked financing, green loans and other responsible investment instruments presents an opportunity for the Group to diversify its funding base and align capital allocation with sustainability priorities. While current access is limited and requires robust frameworks and disclosures, improved sustainability performance and management of sustainability-related risks and opportunities may enable greater access to concessional financing over time. This can support investments in energy efficiency, renewable energy, water and waste management and other eligible projects, strengthening long term financial resilience and capital efficiency across the value chain.
Where the opportunity is concentrated in the business model and value chain	This opportunity is primarily concentrated at the corporate finance and treasury level of the Group, as well as in capital-intensive business units undertaking sustainability-related projects. It also extends across operational facilities and major capital projects where sustainable investments can be financed, and to investor and lender engagement activities supporting long term funding strategies.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Sustainable finance considerations are increasingly integrated into capital allocation and funding decisions. Management evaluates opportunities to align financing structures with sustainability initiatives, while strengthening governance, disclosures and performance tracking to meet lender and investor expectations for sustainability-linked instruments. *Refer Financial and Manufactured Capital Review for further information – page 51.*
Progress to date	The Group has begun strengthening its sustainability frameworks, identifying eligible projects and improving measurement and reporting of sustainability performance to support future access to sustainable finance.
Trade-offs considered	Pursuing sustainable finance involves balancing the benefits of potential cost of capital advantages and diversified funding sources against increased reporting, assurance and performance tracking requirements.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
No significant impacts in the short term.	No significant impacts in the short term.	No significant cashflow impacts in the short term.	No significant change in the short term.
A more resilient financial position is expected through sustained access to sustainable finance, supporting long term capital investments with lower financing risk and enhanced funding stability in the medium to long term.	Improved profitability and returns from sustainability-funded projects, combined with lower cost of capital and enhanced investor confidence, supporting sustainable financial performance in the medium to long term.	Improved operating and financing cash flow stability arising from lower financing costs and sustained access to sustainable funding sources in the medium to long term.	Improved and more stable cost of capital as strong sustainability performance, enhanced disclosures and diversified funding sources strengthen investor and lender confidence in the medium to long term.

S02	Cross-sector circular economy solutions
Description of opportunity	Collaborating with suppliers, customers and other stakeholders to reduce waste, reuse materials and improve resource efficiency creates opportunities to lower operating costs, reduce reliance on virgin raw materials and support compliance with environmental regulations. Over time, cross-sector circular-economy solutions can enhance operational resilience, improve cost stability and strengthen sustainability performance across the value chain.
Time horizon	Medium- long term
Opportunity category	Sustainability-related opportunity
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Initial waste reduction and resource-efficiency practices are in place within certain operations, with limited coordination across suppliers, partners and customers. Expanding cross-sector circular-economy initiatives such as reducing waste, reusing materials and improving resource utilisation, presents an opportunity to manage costs, improve operational efficiency and support compliance with environmental and regulatory requirements. Over time, deeper collaboration across the value chain may reduce dependence on virgin materials, lower waste-handling costs and enhance long term resource resilience across operations.
Where the opportunity is concentrated in the business model and value chain	This opportunity is concentrated across processing and manufacturing facilities, packaging and material handling operations, warehouses and distribution centres, and retail and customer-facing operations, waste management and recycling partner, where waste generation and material flows are highest.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	While sustainability initiatives focus on circular-economy considerations, such considerations are gradually being incorporated into operational planning and procurement decisions. *Refer Natural Capital Review for further information – page 65.*
Progress to date	The Group has implemented initial waste-reduction measures, material efficiency improvements and selective recycling initiatives within operations.
Trade-offs considered	Trade-offs include operational complexity and investment requirements versus achieving cost savings, risk reduction and long term sustainability value.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
No significant impacts in the short term. Improved asset utilisation and resource efficiency across the value chain, contributing to stronger balance-sheet efficiency in the medium to long term.	Limited implementation and coordination costs associated with waste reduction initiatives and supplier engagement efforts in the short term. Stable and improved margins driven by efficient resource use, reduced exposure to raw material price volatility in the medium to long term.	Limited operating cash outflows related to process redesigns and supplier engagement in the immediate short term. Stable and efficient operating cash flows driven by reduced exposure to volatile input prices, improved resource efficiency and sustained cost savings across the value chain, in the medium to long term.	No significant impact in the short term. Lower or more stable cost of capital may be achieved as strong circular-economy practices enhance operational resilience, in the medium to long term.

SLFRS S1 AND S2 DISCLOSURES

S03	Ecosystem conservation and restoration to support nature-based demand
Description of opportunity	Investing in ecosystem conservation and restoration enhances the attractiveness of natural destinations and supports nature-based demand, particularly in sectors reliant on environmental quality. By protecting and restoring ecosystems, the Group can strengthen destination appeal, support sustained customer demand, enhance brand value, and improve the resilience of operations that depend on natural assets, while creating long term environmental and social value through collaboration with communities and partners.
Time horizon	Medium- long term
Opportunity category	Sustainability-related opportunity
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Ongoing ecosystem conservation and restoration initiatives already support the attractiveness of nature-based destinations, particularly within the Leisure sector, by preserving environmental quality and enhancing guest experience. These initiatives contribute positively to brand positioning and customer preference. Over time, expanded and sustained investment in ecosystem protection and restoration is expected to strengthen destination appeal, support stable demand for nature-based experiences, protect long term asset values, and enhance the resilience of operations that depend on natural environments, while creating shared environmental and social value across the value chain.
Where the opportunity is concentrated in the business model and value chain	This opportunity is concentrated in leisure properties located in coastal, forested or biodiversity-sensitive areas and destination management services. It also extends to upstream local suppliers and service providers, community and conservation partnerships, and downstream customers, particularly environmentally conscious and nature-focused travellers whose demand is linked to ecosystem quality and destination sustainability.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Ecosystem conservation and restoration are increasingly integrated into strategic and operational decision-making, particularly within the Leisure sector. Conservation considerations inform destination management, asset maintenance, capital investment, and brand positioning to protect the environmental quality underpinning nature-based demand and long term asset value. Collaboration with communities and conservation partners is a key element of this approach. *Refer Natural Capital Review for further information – page 65.*
Progress to date	The Group has implemented conservation and restoration initiatives at key Leisure sector locations, supported at Group level through the John Keells Foundation. These efforts focus on biodiversity protection, habitat restoration and community engagement, and already influence destination-level planning and operational practices.
Trade-offs considered	The Group recognises that conservation and restoration initiatives may increase short term costs or constrain development in sensitive locations. These trade-offs are balanced against long term benefits, including reduced environmental risk, sustained destination attractiveness, enhanced resilience, and protection of long term asset and brand value.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Limited impact on the financial position, with modest investments related to conservation activities, partnerships and community-based initiatives, in the short term. Enhanced preservation of natural assets is expected to support the long term value and resilience of nature-dependent properties, in the medium to long term.	Marginal increases in operating expenses related to conservation initiatives, community engagement and partnership programmes, in the short term. Sustained revenue growth and enhanced profitability supported by attractive destinations, stronger brand value and increased demand for nature-based experiences, in the medium to long term.	Modest operating cash outflows for conservation projects, partnerships and programme implementation, in the short term. Stable and growing cash flows supported by sustained destination attractiveness, long term asset resilience and continued demand for nature-based tourism offerings, in the medium to long term.	No significant impacts in the short term. A more stable or potentially lower cost of capital may be achieved as sustained ecosystem stewardship strengthens asset resilience, in the medium to long term.

S04	Efficient effluent/wastewater management
Description of opportunity	Efficient effluent and wastewater management presents an opportunity to reduce dependence on freshwater withdrawals, manage regulatory and environmental risks, and lower long term operating costs. By investing in improved treatment, recycling and reuse systems, the Group can enhance operational resilience in water-intensive businesses, ensure regulatory compliance, and strengthen environmental stewardship, particularly in locations exposed to water scarcity.
Time horizon	Short – medium term
Opportunity category	Sustainability-related opportunity
Business Model and Value Chain *[SLFRS S1.32, S2.13]*	
Current and anticipated effects on the business model and value chain	Efficient effluent and wastewater management may support business continuity in water-intensive operations by reducing reliance on freshwater withdrawals, ensuring regulatory compliance and minimising environmental impacts. While existing treatment, recycling and discharge control practices help safeguard compliance risks. Over time, enhanced treatment capacity, reuse and recycling are expected to further improve water resilience.
Where the opportunity is concentrated in the business model and value chain	This opportunity is concentrated in hotels, resorts and leisure properties, manufacturing and processing facilities, and on-site effluent and wastewater treatment plants within operational boundaries. It is particularly relevant in water-intensive and water-stressed locations, as well as in environmentally sensitive areas where discharge quality, regulatory compliance and community impacts are critical.
Strategy and Decision-Making *[SLFRS S1.33, S2.14]*	
Response in strategy and decision-making	Effluent and wastewater efficiency is a key consideration in operational planning and capital-investment decisions, particularly for water-intensive businesses. Management prioritises compliance with discharge standards, optimisation of treatment processes, recycling and reuse initiatives, and investments that reduce dependence on freshwater abstraction while safeguarding environmental performance and operational continuity. *Refer Natural Capital Review for further information – page 65.*
Progress to date	The Group has established effective wastewater and effluent treatment systems with strict monitoring and discharge controls. Treatment capacities, recycling practices and water-management processes are in place to minimise freshwater withdrawals and ensure regulatory compliance.
Trade-offs considered	Trade-offs include allocating capital to treatment capacity upgrades, recycling and automation versus other operational or growth investments, while prioritising long term water security, environmental compliance and continuity of operations over short term cost savings.

Current and Anticipated Financial Effects *[SLFRS S1.34, S2.15]*

Impact on financial position	Impact on financial performance	Impact on cashflows	Impact on cost of capital
Short term investments in enhancements to water treatment assets. Over the long term, the Group's financial position may be strengthened if wastewater recycling and reuse initiatives reduce freshwater dependence.	Operating margins may be adversely impacted by higher chemical dosing requirements, increased electricity consumption for treatment operations, laboratory testing costs, and compliance-related expenses in the short term. Margins are expected to stabilise in the medium to long term, with the costs incurred expected to enhance water resilience and thereby business continuity.	Immediate cash outflows may be incurred for emergency repairs, compliance testing, and increased chemical procurement. Planned capital expenditure may be required for upgrades to sewage treatment plant and/or wastewater treatment plant infrastructure, monitoring automation, and water recycling systems in the medium term. Over time, operating cash flows are expected to become more predictable leading to water resilience and business continuity thereby safeguarding cash flows in the long term.	No significant impact.

SLFRS S1 AND S2 DISCLOSURES

Climate Resilience *[SLFRS S2.22]*

During the current reporting year, the Group did not conduct a climate-related scenario analysis. As such, climate-resilience disclosures based on scenario analysis will not be disclosed for this reporting period.

Transition Plan *[SLFRS S2 14 a-iv]*

The Group currently does not have a formal climate-related transition plan, and no related assumptions or dependencies have been developed. The importance of such planning is acknowledged, and an appropriate transition plan will be considered in future.

RISK MANAGEMENT

Processes for Identifying, Assessing, Prioritising and Monitoring SRROs and CRROs

[SLFRS S1.44, S2.25a(i-vi)]

The Group has established a comprehensive Enterprise Risk Management (ERM) framework to ensure the systematic identification, assessment, prioritisation and mitigation of risks and opportunities. Climate-related risks and opportunities assessed as financially material were incorporated into the quarterly Group Executive Committee (GEC) and Board Audit Committee (BAC) agenda, where they are formally presented and reviewed. These risks are fully integrated into the Group's broader risk management systems and are assessed with the same rigour as operational, financial, and compliance risks.

To ensure comprehensive coverage, the Group, with the assistance of an independent third-party consultant conducted a detailed mapping of each stage of its value chain across all its business units to arrive at the consolidated value chain for the Group. Based on this value chain mapping, the Group performed a structured assessment by identifying its most significant impacts on broader stakeholder groups. as well as the Group's dependencies on externalities, which formed the basis of identification of risks and opportunities, which were in turn utilised to arrive at financially material sustainability- and climate-related risks and opportunities.

Process for Climate-Related Risks

[SLFRS S1.44, S2.25a(i-vi)]

The processes for identifying, assessing, prioritising, and monitoring sustainability- and climate-related risks and opportunities are undertaken through the Group's Enterprise risk management framework, jointly managed by the Group's Sustainability and Enterprise Risk Management (ERM) functions. The framework is applied consistently across the Group and is aligned with the established risk assessment methodology and governance structure of the organisation.

Refer Integrated Risk Management for further information – page 331.

Sustainability- and climate-related risks are embedded within the Group's broader risk governance framework and not managed in isolation. This integrated approach ensures that sustainability and climate considerations are evaluated alongside strategic, operational, financial, and compliance-related risks, enabling a comprehensive and consistent assessment of risks and opportunities across the Group.

Inputs and Parameters

The Group's risk management framework is supported by a structured set of inputs and parameters designed to ensure comprehensive, consistent and comparable risk identification across its diversified operations.

The Group classifies its ERM risks based on the following risk categories: Natural disasters; macroeconomic and political environment; regulatory environment and operational integrity; financial exposure, including exchange rate and interest rate volatility; environment and biodiversity; global competitiveness and portfolio balance; human resources, talent management and employee health and safety; and information technology. These categories provide the foundation of consistent classification, assessment, and management of risks across the Group.

Key inputs and parameters for risk assessment include financial and operational data, internal risk registers and asset-level assessments, industry and market trends, regulatory and compliance updates, stakeholder feedback, and sustainability performance metrics.

Inputs and Parameters by Risk Classification Pillar

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Natural disasters	» Natural disasters, and acute physical risks of climate change impacting, operations	Revenue Loss Disruption to operations Occupational Health and Safety incidents	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days, Minor health and safely incidents to staff to major incidents with fatalities.	Asset resilience programmes; insurance coverage; business continuity planning, early warning systems and weather monitoring	Asset downtime; insured losses; extreme weather disruption incidents
Macroeconomic and political environment	» Geopolitical and pandemic risk » Political Instability, breakdown of law and order and civil unrest » Macroeconomic instability	Revenue Loss Disruption to operations	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days	Central treasury controls; hedging strategies; credit management policies; capital planning processes	Liquidity ratios; Net Debt/EBITDA; FX exposure dashboards; credit loss metrics

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Regulatory environment and Operational integrity	» Ambiguous and outdated and restrictive laws and regulations, ad hoc changes in legislation and corruption.	Revenue loss Management time expended Reputation loss Regulatory and legal action	Scale of Loss of revenue and profitability, management time expended, Customer complaints, negative social media reviews, widespread negative reviews, warnings, fines, temporary suspension of license, revocation of license.	Regulatory monitoring; compliance monitoring frameworks.	Regulatory compliance metrics, audit findings; complaint trends; Compliance assessment
Financial exposure, in particular exchange rate and interest rate volatility	» Volatile and high interest rates » Exposure to foreign exchange fluctuations	Liquidity exposure	Impact on cash flows, solvency, cost of capital, covenant compliance; financial volatility.	Central treasury controls; hedging strategies; credit management policies; capital planning processes.	Liquidity ratios; Net Debt/EBITDA; FX exposure dashboards; credit loss metrics
Environment and Biodiversity	» Energy volatility and low carbon transition » Water scarcity and deterioration of water quality » Challenges in waste disposal and meeting EPR requirements » Risk of accidental environmental pollution events	Revenue loss Disruption to operations Reputation loss Regulatory and legal action	Scale of Loss of revenue and profitability, Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license.	Transition roadmap; regulatory monitoring; capex reallocation to low-carbon initiatives; Sustainability governance and management framework; supplier sustainability guidelines; community engagement programmes	Regulatory compliance metrics Scope 1–2 emissions; supplier sustainability audits; waste and water performance; social impact indicators
Global competitiveness and Portfolio Balance	» Performance volatility due to portfolio imbalance » Inability to keep pace with globalisation and adoption of new technology	Revenue loss Reputation loss	Scale of Loss of revenue and profitability, Customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license.	Strategic review committees; Capital planning processes; Due-diligence frameworks	Market share; NPS; integration scorecards; Digital adoption KPIs
Human resources, talent management and Employee Health and Safety	» Attrition » Insufficient competence and skills in staff » Industrial unrest » Risk of occupational health and safety incidents	Staff impacts such as morale, recruitment and attrition levels	Impact to staff morale, sustained high attrition levels staff complaints, poor staff engagement scores, Trade union action	Talent attraction/ retention initiatives; strengthened training and capability-building programmes; workforce development plans; integrated into ERM	Employee turnover; absenteeism; average training hours and effectiveness; retention metrics

SLFRS S1 AND S2 DISCLOSURES

Risk Pillar	Risk Areas	Inputs	Range of Parameters / Risk Characterisation	Key Controls	Monitoring Metrics
Information technology	» Cybersecurity and data privacy related risks	Revenue loss Media mentions Reputation loss Regulatory and legal action	Scale of loss of revenue, media inquiries to extensive negative media coverage Customer complaints, negative social media reviews, widespread negative reviews warnings, fines, temporary suspension of license, revocation of license.	Data protection procedures; IT infrastructure controls; cyber security frameworks; compliance audits; integrated within ERM	Compliance assessment outcomes; data privacy audit results; cyber risk reviews; incident response metrics
Reputation and brand image	» Risk of Group IP and trademark violation » Risk of non-adherence to set processes by staff. » Unethical and malicious media coverage » Negative public and stakeholder perception » Poor management of critical incidents » Risk of deviations from SOPs leading to product quality, safety, Incidents	Revenue Loss Media mentions Reputation loss	Scale of Loss of revenue media inquiries to extensive negative media coverage Customer complaints, negative social media reviews, widespread negative reviews.	Quality management systems; operational QC controls; compliance monitoring frameworks Strategic review committees; due-diligence frameworks;	Product defect rates; audit findings; complaint trends; compliance non-conformance Market share; NPS; integration scorecards;
Supply Chain Disruptions	» Environmental, labour and human rights violations by supply chain partners » Disruption to Supply Chain - due to acute physical climate events	Revenue Loss Disruption to operations Reputation loss	Scale of Loss of revenue Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews.	Due-diligence frameworks; supplier sustainability guidelines, quality management systems; compliance monitoring frameworks	Supplier sustainability audits extreme weather disruption incidents audit findings; complaint trends;

By incorporating value-chain considerations as an input into its risk identification process, the Group enhances its ability to identify financially material sustainability- and climate-related risks while also addressing potential impacts on broader stakeholder groups across interconnected business activities in alignment with its Sustainability and ERM frameworks.

Climate-Related Scenario Analysis

At present, the Group does not apply climate-related scenario analysis to inform the identification of climate-related risks. However, the Group recognises the importance of such tools in strengthening its climate risk management processes and is actively evaluating the adoption of scenario analysis methodologies.

Nature, Likelihood and Magnitude

The Group assesses the nature, likelihood, and magnitude of sustainability- and climate-related risks using a structured and standardised risk assessment methodology. This is applied on a qualitative basis consistently across business segments and value chain activities and is integrated within the ERM framework.

The nature of risk is identified through detailed risk descriptions that link the potential risk events to specific operational exposures, arising from broader sustainability impacts and dependencies on externalities. This includes consideration of acute and chronic physical climate risks, transition-related regulatory or market shifts, and social and environmental dependencies across the value chain.

The likelihood of occurrence is evaluated using a structured qualitative scoring scale, informed by management judgement, historical incident experience, climate-related factors, external conditions, and the effectiveness of existing mitigation measures implemented across the Group.

The magnitude of impact is qualitatively assessed based on estimated parameter thresholds mentioned in the table above. Severity assessments include financial, operational, environmental, regulatory, and reputational dimensions. A net risk rating is derived by combining the assessed likelihood and severity scores, ensuring comparability across diverse risk types and enabling prioritisation within the ERM framework.

This integrated assessment approach ensures that the Group's evaluation of risk effects is robust, forward-looking, and decision-useful, capturing both financial and non-financial dimensions while remaining aligned with the Group's governance, sustainability and risk management frameworks, its risk appetite, and strategic priorities.

The Group Management Committees and Group Executive Committee have reviewed the value chain mapping process used to identify climate-related risks and opportunities at each stage of the business value chain. During these reviews, the likelihood and impact of each risk and opportunity were assessed qualitatively, ensuring that climate-related considerations were incorporated consistently throughout the assessment process.

Prioritisation of Climate-Related Risks

Climate-related risks are integrated into the Group's ERM framework and prioritised based on their impact on operational continuity, safety, compliance, financial performance, and reputation and likelihood of occurrence. Other sustainability-related risks were also identified in a similar manner, by applying the same parameters of likelihood, impact severity on risks identified during the value chain assessments.

Acute physical risks are prioritised alongside critical operational and supply chain risks due to their potential to disrupt inbound logistics, affect supplier performance, and cause production or service delivery delays. Physical risks to assets are treated as key operational and safety-related risks given their potential to result in asset damage, operational downtime, and employee safety implications. Transition risk of energy and lower carbon alternatives have been considered within the Group's climate risk exposure due to the potential impact from energy supply and price volatility and need for energy efficient investments and low carbon alternates. Workforce-related risks linked to sustainability and climate factors are managed as key people-related operational risks, due to their influence on talent availability, capability building, and service quality.

Monitoring Climate-Related Risks

The Group monitors climate-related risks through ongoing tracking of operational, regulatory, and environmental indicators across its businesses. Monitoring activities include regular reviews of energy consumption, emissions performance together with continuous observation of regulatory developments and evolving stakeholder expectations relating to sustainability and climate action. Climate-related physical risk indicators, such as extreme weather alerts and asset condition assessments, are also monitored across relevant operations.

These risks are reported through established governance structures in line with the sustainability governance and the sustainability management frameworks mentioned in the Corporate Governance Commentary.

While monitoring is currently focused on operational, compliance based, and resource efficiency metrics, the Group is looking at strengthening its processes to incorporate more forward looking tools, including enhanced climate risk analytics, scenario analysis, and assessments of climate impacts across the value chain. These developments will further improve the Group's ability to anticipate, respond to, and manage climate-related risks in the future.

Changes in Processes

Compared with the previous reporting period, the Group has maintained the core processes it uses to identify, assess, prioritise, and manage climate-related risks and opportunities. The existing Enterprise Risk Management (ERM) framework continues to provide the foundation for risk identification and assessment activities across the Group.

Although the core processes remain unchanged, the Group has strengthened several aspects of its climate-related risk and opportunity approach to improve governance, integration, and alignment with emerging sustainability and climate disclosure requirements. Key enhancements include:

- Strengthened governance structures, including formal oversight by the Board, the Board Audit Committee and the Group Executive Committee, and deeper integration through enterprise-wide risk and sustainability governance forums and respective management frameworks.
- Enhanced value chain mapping, enabling a more detailed assessment of acute and chronic physical risks, transition-related risks, and sustainability-related opportunities across upstream, operational, and downstream activities

These enhancements represent refinement rather than fundamental changes to the underlying processes. The Group continues to apply a consistent ERM methodology while progressively embedding sustainability- and climate-related considerations into strategic planning, governance oversight, and operational decision-making. Further improvements are expected as the Group continues to strengthen its sustainability- and climate-related risk management capabilities and responds to evolving regulatory and stakeholder expectations.

The Group conducts a robust process to identify impacts and dependencies across the value chain and determine which of these give rise to potentially relevant climate-related risks. This process includes:

- Determining appropriate time horizons for climate-related risk assessment consistent with strategic and operational planning cycles.
- Engaging with stakeholders through consultations, feedback mechanisms, and surveys to understand their expectations in relation to the Group's strategy and sustainability priorities.
- Scanning the regulatory horizon to anticipate changes in legislation, regulations, standards, and disclosure frameworks related to sustainability and climate.
- Conducting asset-level or segment-level resilience and exposure assessments through its ERM process.
- Performing supplier due diligence to identify risks and dependencies across the value chain, including those linked to resource efficiency, circularity, and sustainable sourcing.
- Conduct workshops with internal stakeholders to align strategic priorities and develop a comprehensive list of potentially relevant sustainability- and climate-related risks and opportunities.

Processes for Climate-Related Opportunities

[SLFRS S1.44, S2.25(b)]

The entity uses the same processes that apply to climate-related risks to identify climate-related opportunities, ensuring consistency and alignment across the framework. Potential opportunities are identified through monitoring market developments, emerging regulatory requirements, technological advancements, and shifts in stakeholder expectations. These opportunities are then evaluated for viability and commercial potential by the relevant governance bodies, including the Group Executive Committee (GEC) with consideration given to any new risks or dependencies they may introduce. Relevant opportunities are incorporated into the Group's sustainability strategy and embedded within the broader five year business planning cycle of the relevant business unit.

As part of the above process, the Group seeks to prioritise sustainability-related opportunities that enhance long term value creation and support resilience across its business segments. These include opportunities in sustainable finance and investment, resource-efficient and circular economy initiatives, renewable energy integration, and nature-based solutions, all of which can contribute to lower operating costs, improved environmental performance, and strengthened stakeholder confidence.

The identification of these opportunities are informed by a range of inputs, including the Group's sustainability strategy, environmental performance data across operational sites, waste and resource-efficiency indicators, water-use metrics, and feasibility assessments for renewable energy and energy-efficiency solutions. These insights support the integration of sustainability considerations into capital allocation, procurement decisions, operational planning, and product or service innovation consistent with evolving regulatory expectations and stakeholder priorities.

The Group conducts cost-benefit analyses to assess potentially relevant climate-related opportunities, considering financial viability alongside environmental and social benefits such as emissions reductions, energy cost savings, resource conservation, and community well-being. These analyses help determine overall feasibility, value contribution, and alignment with long term strategic objectives.

Integration into Overall Risk Management

[SLFRS S1.44, S2.25(c)]

While the Group has, for many years, reported on its sustainability impacts on broader stakeholder groups in accordance with the GRI Standards, it is at an early stage of reporting on sustainability- and climate-related risks and opportunities that may give rise to financial implication for investors and other primary users of the financial statements, in line with the SLFRS S1 and S2 Standards.

As the sustainability- and climate-related risk reporting processes continues to mature, the Group expects to undertake more detailed assessments of climate- and sustainability- related risks and opportunities and to further strengthen their integration into strategic planning and decision-making across the Group. In future reporting periods, the Group intends to provide deeper coverage of its consolidated financially material SRROs and CRROs, subject to availability of reliable data and the development of appropriate quantitative assessments methodologies and thresholds. Such quantification would include, sustainability- and climate-related risk and opportunity analysis, including enhanced visibility of financial impacts, scenario-based insights, and clearer mapping of value chain stages exposed to climate-related effects. The Group also aims to progressively embed sustainability- and climate-related risks and opportunities more fully into the Enterprise Risk Management (ERM) framework, enabling their identification, assessment, prioritisation, management, and monitoring to become an integral part of routine business processes across all business units.

METRICS AND TARGETS

Cross Industry Metrics *[SLFRS S2.29]*

Greenhouse Gas (GHG) Emissions from Operations

The Group measures and reports Scope 1 and Scope 2 GHG emissions in accordance with the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Scope 2 emissions are calculated using the location-based method, and the reporting boundary follows the operational control approach for all subsidiary companies and the equity share approach for equity accounted investees of the Group.

GHG emissions disclosed in this section are measured and reported as carbon dioxide equivalent (CO_2e) for Scope 1 and Scope 2 and are presented on a gross basis, without the application of offsets. Emissions are expressed in metric tonnes of carbon dioxide equivalent (tCO2e).

Measurement Approach

Scope 1- The Group measures Scope 1 GHG emissions arising from direct emissions from sources controlled by the Group. The measurement approach follows the GHG Protocol and GRI 305, and includes quantifying fossil fuel consumption and fugitive emissions across relevant operations. These inputs represent the primary contributors to direct emissions within the organisational boundary.

Scope 2 - Emissions are calculated based on electricity consumption across all operational locations. The Group applies the location-based method to quantify indirect emissions associated with purchased electricity. Emission factors are based on IPCC AR6 guidance and locally relevant grid emission factors, as per the Sri Lanka Sustainable Energy Authority's Energy Balance Report 2022. As there is only one energy grid in Sri Lanka and no contractual agreements on energy purchases, the market based-approach provides no additional information for decision-making vis-a-vis the location-based approach.

Scope 3 – As the Group will be applying the transition relief provisions permitted under SLFRS S1 and S2, Scope 3 emissions have not been disclosed in the current reporting period. This is primarily due to the absence of complete and reliable data required to produce a consistent and accurate Scope 3 inventory. As the Group enhances its data collection processes, disclosure of Scope 3 emissions will be considered in future periods.

GHG Emissions Footprint by Scope and Category (tCO_2e)

Group Performance	2025/26	2024/25*	2023/24*
Direct GHG emissions – Scope 1 (tCO_2e)	68,466	59,683	44,538
Indirect GHG emissions – Scope 2 (tCO_2e)	118,494	98,867	85,309
Total GHG emissions footprint (tCO_2e)	186,959	158,549	131,700
Other joint ventures and associates – Scope 1 (tCO_2e)**	586	-	-
Other joint ventures and associates – Scope 2 (tCO_2e)**	755	-	-
Biogenic GHG emissions from combustion of biomass (tCO_2e)	2,110	3,384	1,443

**2024/25 and 2023/24 figures have been restated due to a change in the reporting boundary following the alignment of the sustainability reporting boundary with the financial reporting boundary.*

*** The values mentioned represent the proportion of the GHG emissions footprint based on the equity holding percentage of the Group.*

The following emission factors were applied in the calculation of Scope 1 and Scope 2 GHG emissions during the reporting period.

	Description	Unit	Emission Factor			Source
			CO_2 (kg/TJ)	CH_4 (kg/TJ)	N_2O (kg/TJ)	
Scope 1	Diesel (Stationary and Mobile)	GJ	74,100	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	Petrol (Stationary and Mobile)	GJ	69,300	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	Furnace Oil	GJ	77,400	3	0.6	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 1	LPG	GJ	63,100	1	0.1	Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories (AR6)
Scope 2	Electricity	kWh	0.6482 kg CO_2/kWh			Energy Balance 2022 - Sri Lanka Sustainable Energy Authority

**Fuel consumption is converted from GJ to TJ for emission calculations (1 TJ = 1,000 GJ).*

Key Risk Indicators

This being the first year of reporting, the Group has identified its scope 1 and scope 2 GHG emissions footprint as its primary cross industry metric. At present the Group does not track KPIs relating to transition risks of climate change or physical risks of climate change, nor has it implemented internal carbon pricing mechanisms or conducted climate scenario analysis. During the year, operations across 13 supermarket outlets, representing ~9% of the Group's supermarket network, were temporarily disrupted by Cyclone Ditwah. Most outlets resumed operations by early December.

The Group continues to evaluate climate-related risks and expects to enhance quantitative disclosures as more complete datasets become available. The Group also continues to monitor regulatory developments and industry practices to determine the appropriate timing and approach for adopting internal carbon pricing and climate scenario analysis in the future.

Remuneration

The Group has not yet integrated ESG or climate-related performance indicators (KPIs) into executive performance evaluation or climate linked remuneration frameworks. However, the Group will consider the possibility of integrating such ESG KPIs into future remuneration structures.

Industry-Based Metrics

The applicable SASB industry standard for the Group is Professional and Commercial Services, reflecting the activities of a holding company across the Group. Performance against relevant KPIs aligned to this Standard is disclosed in page 398.

Targets Set by the Entity *[SLFRS S2.32 / 33]*

Over the years the John Keells Group has established short, medium and long term targets based on internal deliberations, considering the need to minimise impact from business operations on society and the environment. These areas include topics such as carbon emissions, water, waste and plastic utilisation, where such short, medium and long term targets were established considering 2018/19 as the base year, and considering a bottom-up approach.

Over the past seven years, the Group has made significant progress in achieving such targets. With the overall growth and expansion the Group has undergone since 2018 (the baseline year of our targets), and with the advent of new disclosure requirements of climate change adaptation and transition, together with the growing need for targets to be established based on the science-based targets (SBTI), the Group intends to establish fresh targets in the ensuing years. Work in terms of setting these targets has already commenced, with the Group conceptualising Group level ambitions on various sustainability topics encompassing GHG emissions and energy management, waste management and packaging, diversity and equal opportunity and local community empowerment. These ambitions are overseen by individual steering committees and headed by a member of the Group Executive Committee.

The short, medium and long term targets will be established by the appointed steering committees in each area of these ambitions and disclosed in our future disclosures and reports.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD DISCLOSURES 2025/26

Transportation Industry Group

Table 1: Marine Transportation - Sustainability Disclosure Topics and Metrics

Topic	Metric	Code	Unit of Measure	Lanka Marine Services (Private) Limited
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-MT-110a.1	Metric tonnes (tCO_2e)	2,227
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-MT-110a.2	N/A	Scope 1 emissions arising primarily from fuel-based marine operations are managed through operational efficiency measures and controlled fuel usage practices aimed at improving fuel efficiency and reducing emissions intensity across activities. Performance is reviewed on a quarterly basis, with year-on-year tracking and benchmarking against EarthCheck standards and internal operational baselines. While formal long-term absolute emissions reduction targets are being developed at Group level as part of the net zero transition roadmap, current focus remains on incremental efficiency gains and continuous monitoring of Scope 1 emissions performance within operations.
	Total energy consumed	TR-MT-110a.3	Gigajoules (GJ)	29,743
	Percentage of heavy fuel oil consumed		Percentage (%)	24
	Percentage of renewable energy consumed		Percentage (%)	-
	Average Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110a.4	Grammes of CO_2 per ton- nautical mile	N/A - this legislation does not apply to barges as the gross registered tonnage is less than 3000 MT.
Air Quality	Air emissions of the following pollutants: 1. NOx (excluding N_2O) 2. SOx 3. Particulate Matter (PM_{10})	TR-MT-120a.1	Metric tonnes (MT)	N/A – The business does not measure air emissions as it is not a regulatory requirement, considering the capacity of the barges and type of fuel used.
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	TR-MT-160a.1	Number of travel days	-
	Percentage of fleet implementing ballast water exchange	TR-MT-160a.2	Percentage (%)	100
	Percentage of fleet implementing ballast water treatment		Percentage (%)	-
	Number of spills and releases to the environment	TR-MT-160a.3	Number	-
	Aggregate volume of spills and releases to the environment		Cubic meters (m^3)	-
Workforce Health and Safety	Lost time incident rate (LTIR)	TR-MT-320a.1	Rate	-

Topic	Metric	Code	Unit of Measure	Lanka Marine Services (Private) Limited
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR-MT-510a.1	Number	-
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	Presentation currency (Rs.)	-
Accident and Safety Management	Number of marine casualties	TR-MT-540a.1	Number	-
	Percentage classified as very serious		Percentage (%)	-
	Number of Conditions of Class or Recommendations	TR-MT-540a.2	Number	-
	Number of Port State control deficiencies	TR-MT-540a.3	Number	-
	Number of port state control detentions		Number	-

Table 1a: Activity Metrics

Activity Metric	Code	Unit of Measure	Lanka Marine Services (Private) Limited
Number of shipboard employees	TR-MT-000.A	Number	26
Total distance travelled by vessels	TR-MT-000.B	Nautical miles (nm)	11,218
Operating days	TR-MT-000.C	Days	365
Deadweight tonnage	TR-MT-000.D	Thousand deadweight tonnes	283,192
Number of vessels in total shipping fleet	TR-MT-000.E	Number	2
Number of vessel port calls	TR-MT-000.F	Number	730
Twenty-foot equivalent unit (TEU) capacity	TR-MT-000.G	TEU	N/A

Table 2: Sustainability Disclosure Topics and Metrics - Air Freight and Logistics

Topic	Metric	Code	Unit of Measure	John Keells Logistics (Private) Limited
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AF-110a.1	Metric tonnes (t) CO_2-e	965
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AF-110a.2	N/A	Scope 1 emissions are managed through operational efficiency initiatives, primarily route optimisation and load consolidation to reduce fuel consumption across logistics operations. These measures directly contribute to emissions reductions while improving cost efficiency. Performance is monitored on a quarterly basis, with year-on-year comparisons against prior performance and benchmarking against EarthCheck standards. While formal long term absolute reduction targets are being developed at Group level, current focus remains on continuous improvement in fuel efficiency and emissions intensity reduction.

Topic	Metric	Code	Unit of Measure	John Keells Logistics (Private) Limited
	Fuel consumed by road transport	TR-AF-110a.3	Gigajoules (GJ)	12,832
	Percentage of fuel that was natural gas		Percentage (%)	-
	Percentage of fuel consumed that was renewable fuel		Percentage (%)	-
	Fuel consumed by air transport		Gigajoules (GJ)	Not applicable - as the business does not engage in air transport–related operations.
	Fuel consumed that was alternative fuel		Percentage (%)	N/A
	Fuel consumed that was sustainable fuel		Percentage (%)	N/A
Air Quality	Air emissions of the following pollutants: 1. NOx (excluding N_2O) 2. SOx 3. Particulate Matter (PM_{10})	TR-AF-120a.1	Metric tonnes (MT)	Air emissions from the fleet, are not currently monitored as it is not a regulatory requirement. However, vehicle emission tests are conducted annually, as per the regulations.
Labour Practices	Percentage of drivers classified as independent contractors	TR-AF-310a.1	Percentage (%)	-
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	TR-AF-310a.2	Presentation currency (Rs.)	-
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	TR-AF-320a.1	Rate	0.47
	Total recordable incident rate (TRIR) for contract employees		Rate	-
	Fatality rate for direct employees		Rate	-
	Fatality rate for contract employees		Rate	-
Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	TR-AF-430a.2	Metric tonnes (t) CO_2-e per tonne- kilometer	Insufficient data is available to report GHG emissions per tonne-kilometre across transport modes. However, emissions are estimated at 0.00052 tCO_2e per kilometre.
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	TR-AF-430a.3	N/A	The business has established formal agreements with vehicle suppliers, incorporating defined safety requirements and compliance standards to support the effective enforcement of safety practices.
Accident and Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AF-540a.1	N/A	JKLL is certified to ISO 45001:2018 for Occupational Health and Safety. Through this system, hazards and risks are systematically identified and mitigated, with the objective of achieving zero accidents.
	Number of aviation accidents	TR-AF-540a.2	Number	N/A
	Number of road accidents and incidents	TR-AF-540a.3	Number	3

Table 2a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Logistics (Private) Limited
Revenue tonne-kilometers (RTK) for road transport (Air Transport – N/A)	TR-AF-000.A	RTK	5,820,305
Load factor for road transport (Air Transport – N/ A)	TR-AF-000.B	Rate	Required data is not available to disclose
Number of employees	TR-AF-000.C	Number	323
Number of truck drivers	TR-AF-000.C	Number	70

Table 3: Sustainability Disclosure Topics and Metrics – Road Transportation

Topic	Metric	Code	Unit of Measure	John Keells Logistics (Private) Limited
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-RO-110a.1	Metric tonnes (tCO_2e)	965
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-RO-110a.2	N/A	Scope 1 emissions are managed through operational efficiency initiatives, primarily route optimisation and load consolidation to reduce fuel consumption across logistics operations. These measures directly contribute to emissions reductions while improving cost efficiency. Performance is monitored on a quarterly basis, with year-on-year comparisons against prior performance and benchmarking against EarthCheck standards. While formal long-term absolute reduction targets are being developed at a Group level, current focus remains on continuous improvement in fuel efficiency and emissions intensity reduction.
	Total fuel consumed	TR-RO-110a.3	Gigajoules (GJ)	12,985
	Percentage natural gas		Percentage (%)	-
	Percentage renewable		Percentage (%)	-
Air Quality	Air emissions of the following pollutants: 1. NOx (excluding N_2O) 2. SOx 3. Particulate Matter (PM_{10})	TR-RO-120a.1	Metric tonnes (MT)	N/A - air emissions from the fleet are not currently monitored as it is not a regulatory requirement. However, vehicle emission tests are conducted annually, as per the regulations.
Workforce Conditions, Health and Safety	Total recordable incident rate (TRIR) for direct employees	TR-RO-320a.1	Rate	1
	Total recordable incident rate (TRIR) for contract employees		Rate	-
	Fatality rate for direct employees		Rate	-
	Fatality rate for contract employees		Rate	-
	Voluntary turnover rate for all employees	TR-RO-320a.2	Percentage (%)	80
	Involuntary turnover rate for all employees		Percentage (%)	-
	Description of approach to managing short-term and long-term driver health risks	TR-RO-320a.3	N/A	Implement monitoring of drivers' working hours, ensure proper vehicle and equipment maintenance to reduce safety and health hazards, and conduct regular training and awareness sessions to address both short- and long term health risks.
Accident and Safety Management	Number of road accidents and incidents	TR-RO-540a.1	Number	3
	Number of spills and releases to the environment	TR-RO-540a.3	Number	-
	Aggregate volume of spills and releases to the environment		Cubic meters (m^3)	-

Table 3a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Logistics (Private) Limited
Revenue tonne-kilometres (RTK)1	TR-RO-000.A	RTK	5,820,305
Load factor	TR-RO-000.B	Number	This metric is not monitored
Number of employees	TR-RO-000.C	Number	323
Number of truck drivers		Number	70

Table 4: Sustainability Disclosure Topics and Metrics - Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	Mack Air (Private) Limited	Mackinnons Travels (Private) Limited	Mackinnon Mackenzie and Company of Ceylon Limited
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*		
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	N/A	The business units maintain policies and procedures governing the collection, use, storage, disclosure, and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity, and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes, and ongoing compliance monitoring to support the reasonable management and protection of customer information. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*		
	Number of data breaches	SV-PS-230a.3	Number	-	-	-
	Percentage that involve customers' confidential business information		Percentage (%)	-	-	-
	Percentage that are personal data breaches		Percentage (%)	-	-	-
	Number of customers affected		Number	-	-	-
	Number of individuals affected		Number	-	-	-
Workforce Diversity and Engagement	Percentage of gender representation for a. Executive Management b. Non-Executive Management c. Other	SV-PS-330a.	Percentage (%)	Male / Female a. 86 / 14 b. 51 / 49 c. - / -	Male / Female a. 100 / - b. 45 / 55 c. 100 / -	Male / Female a. - / - b. 91 / 9 c. 99 / 1
	Diversity by age group a. Executive Management b. Non-Executive Management c. Other		Percentage (%	a. Age group / % <30 / - 30-50 / 43 >50 / 57 b. Age group / % <30 / 49 30-50 / 39 >50 / 12	a. Age group / % <30 / - 30-50 / 100 >50 / - b. Age group / % <30 / 42 30-50 / 48 >50 / 10	a. Age group / % <30 / - 30-50 / - >50 / - b. Age group / % <30 / 27 30-50 / 55 >50 / 18

Topic	Metric	Code	Unit of Measure	Mack Air (Private) Limited	Mackinnons Travels (Private) Limited	Mackinnon Mackenzie and Company of Ceylon Limited
				c. Age group | % <30 | - 30-50 | - >50 | -	c. Age group | % <30 | 25 30-50 | 50 >50 | 25	c. Age group | % <30 | 42 30-50 | 50 >50 | 8
	Voluntary turnover rate for employees	SV-PS-330a.2	Percentage (%)	28.6	41.9	29.6
	Involuntary turnover rate for employees		Percentage (%)	-	-	-
	Employee engagement as a percentage	SV-PS-330a.3	Percentage (%)	The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. The assessment of engagement levels, as classified by SASB, is currently in progress.		
	Description of the method employed		N/A	The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results. *Refer Employee Engagement and Well-being section of the Human Capital Review for further information – page 104.*		
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	N/A	Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees, and reinforced by leadership oversight and established compliance mechanisms to ensure employees live by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations. *Refer The Code of Conduct for further information – page 343.*		
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Presentation currency (Rs.)	-	-	-

Table 3a: Activity Metrics

Activity Metric	Code	Unit of Measure	Mack Air (Private) Limited	Mackinnons Travels (Private) Limited	Mackinnon Mackenzie and Company of Ceylon Limited
Number of Employees by categories;	SV-PS-000.A	Number			
a. Full time Employees			a. 48	a. 36	a. 21
b. Part Time Employees			b. -	b. -	b. -
c. Temporary Employees			c. -	c. 8	c. 243
d. Contract Employees			d. 10	d. 14	d. -
Employee hours worked, Billable Percentage	SV-PS-000.B	Hours	103,680 -	95,040 -	570,240 81

Consumer Foods Industry Group

Table 1: Sustainability Disclosure Topics and Metrics - Non-Alcoholic Beverages

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Fleet Fuel Management*	Fleet fuel consumed	FB-NB-110a.1	Gigajoules (GJ)	5,595
	Percentage renewable		Percentage (%)	-
Energy Management*	Operational energy consumed	FB-NB-130a.1	Gigajoules (GJ)	79,124
	Percentage grid electricity		Percentage (%)	70
	Percentage renewable		Percentage (%)	24
Water Management*	Total water withdrawn	FB-NB-140a.1	Thousand cubic meters (m^3)	443
	Total water consumed		Thousand cubic meters (m^3)	275
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-NB-140a.2	N/A	Water scarcity, poor water quality, and effluent treatment plant failures may disrupt production and result in regulatory, environmental, and reputational impacts. *Refer to the Non-financial Performance Review of the Consumer Foods industry group for further information on risks, strategies and mitigation plans – page 183.*
Health and Nutrition	Revenue from zero- and low-calorie or energy-free and low-energy beverages	FB-NB-260a.1	Presentation currency (Rs.)	Confidential
	Revenue from no-added- sugar beverages		Presentation currency (Rs.)	Confidential
	Revenue from artificially sweetened beverages		Presentation currency (Rs.)	Confidential
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-NB-260a.2	N/A	All products comply with applicable regulations, and nutritional information is supported by analytical reports. All ingredients are reviewed and approved by relevant stakeholders prior to onboarding.
Product Labelling and Marketing	Percentage of advertising impressions made on children	FB-NB-270a.1	Percentage (%)	The businesses abide by the applicable laws including regulations published under the Food Act - Food (Labelling and Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, the business does not market any products to children below the age of 12 years. Currently, there is no established mechanism to track impressions on children and therefore there is no published data available, to report under this metric.
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines		Percentage (%)	
	Discussion of the applicable dietary guidelines and the method used to estimate advertising impressions		N/A	

**These figures cover the total operations of CCS.*

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-NB-270a.2	Presentation currency (Rs.)	-
	Revenue from products labelled as non-GMO		Presentation currency (Rs.)	-
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-NB-270a.3	Number	-
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-NB-270a.4	Presentation currency (Rs.)	-
Packaging Lifecycle Management	Total weight of packaging	FB-NB-410a.1	Metric tonnes (MT)	61,921
	Percentage made from recycled or renewable materials		Percentage (%)	-
	Percentage that is recyclable, reusable, or compostable		Percentage (%)	17
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-NB-410a.2	N/A	The business reduces packaging lifecycle impacts through compliance checks, adoption of sustainable packaging solutions supported by collaboration with recyclers and retailers to enhance recovery, recycling, and responsible end-of-life management aligning with Extended Product Responsibility requirements. *Refer the Natural Capital Review and the Non-financial Performance Review of the Consumer Foods industry group for further information on strategies and mitigation plans .*
Environmental and Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit non-conformance rate for major non-conformances	FB-NB-430a.1	Rate	-
	Suppliers' social and environmental responsibility audit non-conformance rate for minor non-conformances		Rate	3.6
	Associated corrective action rate for major non-conformances		Rate	-
	Associated corrective action rate for minor non- conformances		Rate	79%
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-NB-440a.1	Percentage (%) by cost	4
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	FB-NB-440a.2	N/A	» Water » Locally grown ginger The business has identified risks such as disruptions to supply chain as a result of chronic physical risks of climate change and supply chain partner sanctions as material risks which may impact supply continuity, cost stability, and reputation. *Refer to the Non-financial Performance Review of the Consumer Foods industry group for further information on strategies and mitigation plans – page 183.*

SLFRS S1 AND S2 DISCLOSURES

Table 1a: Activity Metrics

Activity Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Volume of products sold	FB-NB-000.A	Millions of hectoliters (Mhl)	Confidential
Number of production facilities	FB-NB-000.B	Number	3 (3 outsourced)
Total fleet road kilometres travelled	FB-NB-000.C	Kilometers (km)	N/A - Fleet operated by a third party

Table 2: Sustainability Disclosure Topics and Metrics – Meat, Poultry and Dairy

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-MP-110a.1	Metric tonnes (tCO_2e)	6,344	2,039	4,495
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-MP-110a.2	N/A	The businesses focus on operational controls, preventive maintenance, and process optimisation to improve efficiency and reduce emissions from both fuel and refrigerants. Performance is monitored against internal KPIs. Further, Ceylon Cold Stores PLC is certified against ISO 50001:2018 standards. *Refer Non-financial Performance Review of the Consumer Foods industry group and Natural Capital Review section for further information.*		
Energy Management*	Total energy consumed	FB-MP-130a.1	Gigajoules (GJ)	79,009	53,795	39,214
	Percentage of grid electricity		Percentage (%)	63	60	58
	Percentage of renewable energy		Percentage (%)	24	-	-
Water Management*	Total water withdrawn	FB-MP-140a.1	Thousand cubic metres (m^3)	396	108	119
	Total water consumed		Thousand cubic metres (m^3)	229	20	51
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.		
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)			
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-MP-140a.2	N/A	Risks for the businesses include high process water use, potential wastewater pollution, and disruptions from water scarcity, poor water quality, and effluent treatment plant failures, which may impact operations and lead to regulatory, environmental, and reputational consequences; these are mitigated through water efficiency initiatives, effective effluent treatment and discharge compliance, and continuous monitoring. *Refer to the Non-financial Performance Review of the Consumer Foods industry group and Natural Capital Review for further information on strategies and mitigation plans.*		

**These figures cover the total operations of CCS Ranala & CICL plants.*

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	FB-MP-140a.3	Number	-	-	-
Land Use and Ecological Impacts	Amount of animal litter and manure generated	FB-MP-160a.1	Metric tonnes (MT)	N/A - as the businesses are engaged in processed food manufacturing and does not conduct livestock farming, grazing, or confined animal feeding operations.		
	Percentage managed according to a nutrient management plan		Percentage (%)			
	Percentage of pasture and grazing land managed to conservation plan criteria	FB-MP-160a.2	Percentage (%) by hectares			
	Animal protein production from confined animal feeding operations	FB-MP-160a.3	Metric tonnes (MT)			
Food Safety	Global Food Safety Initiative (GFSI) audit non-conformance rates for major non-conformances	FB-MP-250a.1	Rate	Not Applicable - food safety is managed through the ISO 22000:2018-management system.		
	Global Food Safety Initiative (GFSI) audit non-conformance rates for minor non-conformances		Rate			
	Associated corrective action rates for major non-conformances		Rate			
	Associated corrective action rates for minor non-conformances		Rate			
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification programme	FB-MP-250a.2	Percentage (%)	-	-	-
	Number of recalls issued	FB-MP-250a.3	Number	-	-	-
	Total weight of products recalled		Metric tonnes (MT)	-	-	-
	Discussion of markets that ban imports of the entity's products	FB-MP-250a.4	N/A	N/A		

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Antibiotic Use in Animal Production	Percentage of animal production that received medically important antibiotics, by animal type	FB-MP-260a.1	Percentage (%) by weight	N/A	N/A	Chicken - 69 Swine/Cattle - Unable to report due to limited information.
	Percentage of animal production that received not medically important antibiotics, by animal type		Percentage (%) by weight	Unable to report due to limited information.		Chicken - 31 Swine/Cattle - Unable to report due to limited information.
Workforce Health and Safety	Total recordable incident rate (TRIR) - Direct employees	FB-MP-320a.1	Rate	0.8	0.5	0.5
	Total recordable incident rate (TRIR) - Contract employees		Rate	16	-	0.9
	Fatality rate for direct employees		Rate	-	-	-
	Fatality rate for contract employees		Rate	-	-	-
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	FB-MP-320a.2	N/A	Respiratory health risks are managed in line with the Group's Health and Safety policy, with manufacturing facilities certified to and aligned with ISO 45001:2018 Standards. Controls include maintaining air quality, managing emissions, and implementing appropriate workplace safeguards, supported by employee training and the provision of personal protective equipment, to mitigate both acute and chronic respiratory health risks. *Refer Health and Safety section of the Human Capital Review for further information on health and safety management – page 109.*		
Animal Care and Welfare	Percentage of pork produced without the use of gestation crates	FB-MP-410a.1	Percentage (%) by weight	N/A	N/A	17
	Percentage of cage-free shell egg sales	FB-MP-410a.2	Percentage (%)	N/A	N/A	-
	Percentage of production certified to a third-party animal welfare standard	FB-MP-410a.3	Percentage (%) by weight	N/A	N/A	-
Environmental and Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing conservation plan criteria	FB-MP-430a.1	Percentage (%) by weight	N/A	N/A	100
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	FB-MP-430a.2	Percentage (%)	-	-	-

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Animal and Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	FB-MP-440a.1	Percentage (%) by weight	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.		
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	FB-MP-440a.2	Percentage (%) by contract value			
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	FB-MP-440a.3	N/A	N/A	N/A	As KFP does not maintain livestock operations or engage in feed sourcing directly, its strategy focuses on strengthening supply chain resilience against increasing climate-related disruptions in Sri Lanka. Severe flooding during the year impacted poultry farms, storage facilities, transport access, and market prices. To mitigate disruptions, KFP maintained a diversified supplier base across multiple regions, strategic buffer stock levels, and medium term supplier contracts to support supply and pricing stability. The sector also strengthened imported pork sourcing in response to African Swine Fever (ASF) outbreaks affecting local supply chains.

Table 2a: Activity metrics

Activity Metrics	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Number of processing and manufacturing facilities	FB-MP-000.A	Number	1	1	4
Animal protein production, by category; percentage outsourced	FB-MP-000.B	Various, Percentage (%)	N/A	N/A	N/A

SLFRS S1 AND S2 DISCLOSURES

Table 3: Sustainability Disclosure Topics and Metrics – Processed Foods

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Energy Management*	Total energy consumed	FB-PF-130a.1	Gigajoules (GJ)	79,009	53,795	39,214
	Percentage grid electricity		Percentage (%)	63	60	58
	Percentage renewable		Percentage (%)	24	-	-
Water Management*	Total water withdrawn	FB-PF-140a.1	Thousand cubic meters (m^3)	396	108	119
	Total water consumed		Thousand cubic meters (m^3)	229	20	51
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	-	-
	Percentage of water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	-	-
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	FB-PF-140a.2	Number	-	-	-
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3	n/a	Water management risks include high process water use, potential wastewater pollution, and disruptions from water scarcity, poor water quality, and effluent treatment plant failures, which may impact operations and lead to regulatory, environmental, and reputational consequences; these are mitigated through water efficiency initiatives, effective effluent treatment and discharge compliance, and continuous monitoring. *Refer to the Non-financial Performance Review of the Consumer Foods industry group and Natural Capital Review for further information on strategies and mitigation plans.*		
Food Safety	Global Food Safety Initiative (GFSI) audit non-conformance rates for major non-conformances	FB-PF-250a.1	Rate	N/A - The businesses are not certified under a GFSI recognised standard; however, food safety is managed through ISO 22000:2018-management system.		
	Global Food Safety Initiative (GFSI) audit non-conformance rates for minor non-conformances		Rate			
	Global Food Safety Initiative (GFSI) audit associated corrective action rates for major non-conformances		Rate			
	Global Food Safety Initiative (GFSI) audit associated corrective action rates for major non-conformances		Rate			

**The figures disclosed reflect the full scope of CCS operations.*

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	FB-PF-250a.2	Percentage (%) by cost	-	-	-
	Total number of notices of food safety violation received	FB-PF-250a.3	Number	-	-	-
	Percentage corrected		Percentage (%)	-	-	-
	Number of recalls issued	FB-PF-250a.4	Number	-	-	-
	Total amount (weight) of food products recalled		Metric tonnes (MT)	-	-	-
Health and Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	FB-PF-260a.1	Presentation currency (Rs.)	Confidential	-	-
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	N/A	The businesses identify and manage nutrition and health-related risks through regulatory compliance, ingredient approval processes, and nutritional analysis. Consumer concerns (e.g., salt, sugar, allergens) are monitored, with clear labelling, periodic product reviews, and reformulation driven by feedback, emerging health trends, and regulatory requirements.		
Product Labelling and Marketing	Percentage of advertising impressions made on children	FB-PF-270a.1	Percentage (%)	N/A		
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines		Percentage (%)	N/A		
	Discussion of applicable dietary guidelines and the method used to estimate advertising impressions.		N/A	The businesses abide by the applicable laws including regulations published under the Food Act. Food (Labelling & Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, businesses do not market any products to children below the age of 12 years. Currently, there is no established mechanism to track impressions on children and therefore there is no published data available, to report under this metric.		
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-PF-270a.2	Presentation currency (Rs.)	-	-	-
	Revenue from products labelled as containing non-GMO		Presentation currency (Rs.)	Confidential	Confidential	Confidential
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-PF-270a.3	Number	-	-	-

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
	Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices	FB-PF-270a.4	Presentation currency (Rs.)	-	-	-
Packaging Lifecycle Management	Total weight of packaging	FB-PF-410a.1	Metric tonnes (MT)	491	262	24
	Percentage made from recycled or renewable materials		Percentage (%)	-	-	-
	Percentage that is recyclable, reusable, or compostable		Percentage (%)	100	Information is not available	9.6
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	N/A	The businesses reduce packaging lifecycle impacts through compliance checks, adoption of sustainable packaging solutions supported by collaboration with recyclers and retailers to enhance recovery, recycling, and responsible end-of-life management aligning with Extended Product Responsibility requirements. *Please refer the Natural Capital Review and the Non-financial Performance Review of the Consumer Foods industry group for further information on strategies and mitigation plans.*		
Environmental and Social Impacts of Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental or social standards	FB-PF-430a.1	Percentage (%) by cost	27	51	-
	ISO 14001:2015 Environmental Management System		Percentage (%) by cost	17	32	-
	Sedex Members Ethical Trade Audit Standard		Percentage (%) by cost	17	14	-
	Roundtable on Sustainable Palm Oil Certification		Percentage (%) by cost	66	53	-
	US FDA Safety and Regulatory Standards		Percentage (%) by cost	-	1	-
	Suppliers' social and environmental responsibility audit non-conformance rate for major non conformances	FB-PF-430a.2	Rate	-	-	-
	Suppliers' social and environmental responsibility audit non-conformance rate for minor non- conformances		Rate	4.2	2.9	-
	Associated corrective action rate for major non-conformances		Rate	-	-	-
	Associated corrective action rate for minor non-conformances		Rate	75%	95%	-

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	Percentage (%) by cost	1.5	-	-
	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	FB-PF-440a.2	N/A	List of priority food » Palm oil: Deforestation and regulatory risks » Cocoa: Yield volatility » Sugar: Water stress and climate variability » Skimmed milk powder and whey powder: Yield volatility and animal welfare concerns » Fruit-based ingredients: Climate exposure, crop failure, and smallholder farmer vulnerability. Approach: » Enhanced governance for commodities with higher environmental and social risks. » Continuous monitoring of commodity price and supply drivers. » Diversification of sourcing locations to strengthen supply resilience. *Refer Non-financial performance section of the Consumer Foods industry group for further information – page 183.*	List of priority food » Poultry and pork: High resource use and emissions; animal welfare, labour, and pollution risks » Spices and seasonings: Soil degradation, pesticide use, and smallholder labour risks. Approach: » Sourcing from suppliers adhering to sustainable and responsible agricultural practices. » Promoting animal welfare and improved waste management across the supply chain. *Refer Non-financial performance section of the Consumer Foods industry group for further information – page 183.*

Table 3a: Activity Metric

Activity Metrics	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Private) Limited	Keells Food Products PLC
Weight of products sold in	FB-PF-000.A	Metric tonnes (MT)	Confidential	Confidential	Confidential
Number of production facilities	FB-PF-000.B	Number	1	1	4

Retail Industry Group

Table 1: Sustainability Disclosure Topics and Metrics – Food Retailers and Distributors

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Private) Limited	Logipark International (Private) Limited
Fleet Fuel Management	Fleet fuel consumed	FB-FR-110a.1	Gigajoules (GJ)	5	-
	Percentage of renewable fuel		Percentage (%)	-	-
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	Metric tonnes (tCO_2e)	20,821	3,155
	Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	Percentage (%) by weight	94	99
	Average refrigerant emissions rate	FB-FR-110b.3	Percentage (%)	100	100
Energy Management	Operational energy consumed	FB-FR-130a.1	Gigajoules (GJ)	325,933	5,119
	Percentage of grid electricity		Percentage (%)	72	98
	Percentage of renewable energy		Percentage (%)	20	-
Food Waste Management	Amount of food waste generated	FB-FR-150a.1	Metric tonnes (MT)	7,034	N/A
	Percentage diverted from the waste stream		Percentage (%)	100	N/A
	Quantification methods used to calculate the amount of food waste and inedible parts		N/A	Food waste and inedible parts are quantified using internal monitoring records. The general metric is kg. Where items are recorded in units, a conversion formula is applied to convert the quantity into kilograms, wherever possible and relevant.	N/A
Data Security	Number of data breaches	FB-FR-230a.1	Number	-	-
	Percentage that are personal data breaches		Percentage (%)	-	-
	Number of customers affected		Number	-	-
	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*	

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Private) Limited	Logipark International (Private) Limited
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	Rate	-	N/A
	Number of food safety recalls	FB-FR-250a.2*	Number	18	N/A
	Number of units recalled		Number	10,032	N/A
	Percentage of units recalled that are private-label products		Percentage (%)	12	N/A
	*Notable recalls such as those that affected a significant number of customers or those related to serious illnesses, injuries, or fatalities.		N/A	-	N/A
Product Health and Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	FB-FR-260a.1	Presentation currency (Rs)	Confidential	N/A
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	N/A	Nutritional and health-related risks are managed through a structured process for private-label products, including compliance with applicable food safety and consumer protection regulations. Product labels are developed in line with the applicable regulations, ensuring transparency on ingredients, allergens, and nutritional information. This enables identification of potential health concerns and supports informed consumer choices.	N/A
Product Labelling and Marketing	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-FR-270a.1	Number	1	N/A
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-FR-270a.2	Presentation currency (Rs)	10,000	N/A
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	Incorrect colour coding was corrected by applying a sticker with advice from authorities. New artwork printing is in progress for future productions.	N/A
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-FR-270a.3	Presentation currency (Rs)	-	N/A
	Revenue from products labelled as non-GMO		Presentation currency (Rs)	N/A	N/A

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Private) Limited	Logipark International (Private) Limited
Labour Practices	Average hourly wage		Presentation currency (Rs)	400	227.65
	Percentage of in-store and distribution centre employees earning minimum wage, by region (Sri Lanka)	FB-FR-310a.1	Percentage (%)	0.1	_
	Percentage of active workforce employed under collective agreements	FB-FR-310a.2	Percentage (%)	-	59
	Number of work stoppages	FB-FR-310a.3*	Number	-	-
	Total days idle		Days idle	-	-
	Total amount of monetary losses as a result of legal proceedings associated with: labour law violations	FB-FR-310a.4*	Presentation currency (Rs)	-	-
	Total amount of monetary losses as a result of legal proceedings associated with: employment discrimination		Presentation currency (Rs)	-	-
Management of Environmental and Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standards	FB-FR-430a.1	Presentation currency (Rs)	-	N/A
	Percentage of revenue from eggs that originated from a cage-free environment	FB-FR-430a.2	Percentage (%) by revenue	This information has not been reported for the current year, as there is no established process within the Group to capture these specific supplier-level metrics, particularly in the absence of a formal reporting requirement. However, the Group recognises the importance of these disclosures and is currently exploring ways to incorporate the necessary data points into the annual food supplier review process, in collaboration with the audit partner. Moving forward, steps will be taken to develop a suitable data collection approach to support reporting in future periods.	N/A
	Percentage of revenue from pork produced without the use of gestation crates		Percentage (%) by revenue		N/A
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	N/A	Private label suppliers undergo annual sourcing audits conducted by the JMSL QA team, based on a checklist developed in alignment with the JKH Group Sustainability Supplier Impact Assessment framework.	N/A

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Private) Limited	Logipark International (Private) Limited
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	N/A	The business reduced the environmental impact of packaging by introducing compostable packaging at vegetable, fruit, meat and seafood counters, resulting in a saving of over 50 million single-use polythene bags. *Refer Waste and Packaging Management section of the Natural Capital Review – page 79.*	N/A

Table 1a: Activity Metrics

Activity Metrics	Code	Unit of Measure	JayKay Marketing Services (Private) Limited	Logipark International (Private) Limited
Number of retail locations	FB-FR-000.A	Number	147	N/A
Number of distribution centres	FB-FR-000.A	Number	N/A	1
Total area of retail space	FB-FR-000.B	Square meters (m^2)	154,640	N/A
Total area of distribution centres	FB-FR-000.B	Square meters (m^2)	N/A	26,098
Number of vehicles in commercial fleet	FB-FR-000.C	Number	N/A	N/A
Tonne-kilometers travelled	FB-FR-000.D	Tonne kilometers	N/A	N/A

Table 2: Sustainability Disclosure Topics and Metrics – Air Freight and Logistics

Topic	Metric	Code	Unit of Measure	Logipark International (Private) Limited
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AF-110a.1	Metric tonnes (t) CO_2-e	3,164
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AF-110a.2	N/A	Scope 1 emissions arise primarily from refrigerants and generator fuel consumption. Short term actions focus on leak detection, preventive maintenance, and optimising generator efficiency. Performance is monitored on a quarterly basis, with year-on-year comparisons against prior performance. While formal long term absolute reduction targets are being developed at Group level as part of the net zero transition roadmap, current focus remains on continuous improvement in efficiency and emissions intensity reduction.
	Fuel consumed by road transport	TR-AF-110a.3	Gigajoules (GJ),	N/A - as all vehicles are outsourced.
	Percentage of natural gas		Percentage (%)	N/A
	Percentage of renewable energy		Percentage (%)	N/A
	Fuel consumed by air transport		Gigajoules (GJ),	N/A
	Percentage of alternative fuel consumed		Percentage (%)	N/A
	Percentage of sustainable fuel consumed		Percentage (%)	N/A
Air Quality	Air emissions of the following pollutants: a. NOx (excluding N_2O) b. SOx c. Particulate Matter (PM)	TR-AF-120a.1	Metric tonnes (MT)	N/A
			Metric tonnes (MT)	N/A
			Metric tonnes (MT)	N/A

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Logipark International (Private) Limited
Labour Practices	Percentage of drivers classified as independent contractors	TR-AF-310a.1	Percentage (%)	64.5
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	TR-AF-310a.2	Presentation currency (Rs)	N/A
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	TR-AF-320a.1	Rate	5
	Total recordable incident rate (TRIR) for contract employees		Rate	-
	Fatality rate for direct employees		Rate	-
	Fatality rate for contract employees		Rate	2
Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	TR-AF-430a.2	Metric tonnes (t) CO_2-e per tonne- kilometre	N/A
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	TR-AF-430a.3	N/A	LPI identifies and manages business disruption risks associated with contract carrier safety through structured risk assessments, considering external factors such as extreme weather events, fuel shortages, civil unrest, and economic and political conditions. Transport operations are supported by a Transport Management System (TMS), with enhancements underway through AI-enabled monitoring to improve real-time visibility, route optimisation, driver behaviour monitoring, and fatigue detection. All contract carriers are governed by standardised operating procedures, supported by regular safety audits and compliance checks. Annual training programmes and quarterly audits, aligned with ISO 45001:2018 and ISO 9001:2015, ensure continuous monitoring, corrective action, and performance improvement. These measures strengthen transport safety, reduce accident risks, and minimise operational disruptions across the supply chain.
Accident and Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AF-540a.1	N/A	LPI has a Health and Safety Policy and is ISO 45001:2018 certified. Implementation is demonstrated through key controls such as: Managing material handling equipment and transport risks through speed limits, defensive driving training, and regular toolbox sessions. Preventing falling objects through proper palletisation and removal of damaged pallets. Reducing manual handling risks through targeted training programmes. Controlling high-risk activities (e.g. work at height, hot work, confined space entry) via a Permit-to-Work system. Strengthening fire safety through continuous monitoring and dedicated personnel. Encouraging incident reporting, including near misses and hazards, to support proactive risk management. The effectiveness of the management system is reinforced through ongoing monitoring, audits, and incident investigations. These measures have contributed to improved safety awareness, stronger compliance with safety procedures, and the proactive identification and mitigation of operational risks.
	Number of aviation accidents	TR-AF-540a.2	Number	N/A
	Number of road accidents and incidents	TR-AF-540a.3	Number	60

Table 2a: Activity Metrics

Activity Metrics	Code	Unit of Measure	Logipark International (Private) Limited
Revenue tonne-kilometres (RTK) for road transport (Air Transport – N/A)	TR-AF-000.A	RTK	N/A
Load factor for road transport (Air Transport – N/ A)	TR-AF-000.B	Rate	N/A
Number of employees	TR-AF-000.C	Number	633
Number of truck drivers	TR-AF-000.C	Number	201 (Contract)

Table 3: Sustainability Disclosure Topics and Metrics – Multiline and Specialty Retailers and Distributors

Topic	Metric	Code	Unit of Measure	John Keells Office Automation (Private) Limited	John Keells CG Auto (Private) Limited
Energy Management in Retail and Distribution	Total energy consumed	CG-MR-130a.1	Gigajoules (GJ)	2,314	4,294
	Percentage of grid electricity		Percentage (%)	21	87
	Percentage of renewable energy		Percentage (%)	-	-
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*	
	Number of data breaches	CG-MR-230a.2	Number	-	-
	Percentage that are personal data breaches		Percentage (%)	-	-
	Number of customers affected		Number	-	-
Labour Practices	Average hourly wage	CG-MR-310a.1	Presentation currency (Rs)	N/A	167
	Percentage of in-store and distribution centre employees earning minimum wage, by region		Percentage (%)	N/A	-
	Voluntary turnover rate for in-store and distribution center employees	CG-MR-310a.2	Percentage (%)	N/A	18
	Involuntary turnover rate for in-store and distribution center employees		Percentage (%)	N/A	-
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	CG-MR-310a.3	Presentation currency (Rs)	-	-

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	John Keells Office Automation (Private) Limited	John Keells CG Auto (Private) Limited
Workforce Diversity & Inclusion	Percentage of gender representation for Executive Management Non-Executive Management Other		Percentage (%)	**Male** / **Female** a. 100 / - b. 75 / 25 c. 80 / 20	**Male** / **Female** a. 100 / - b. 70 / 30 c. 96 / 4
	Diversity by age group a. Executive Management b. Non-Executive Management c. Other	CG-MR-330a.1	Percentage (%)	a. **Age group** / **%** <30 / - 30-50 / - >50 / 100 b. **Age group** / **%** <30 / 28 30-50 / 64 >50 / 8 c. **Age group** / **%** <30 / 55 30-50 / 35 >50 / 10	a. **Age group** / **%** <30 / - 30-50 / 100 >50 / - b. **Age group** / **%** <30 / 60 30-50 / 39 >50 / 1 c. **Age group** / **%** <30 / 90 30-50 / 10 >50 / -
	Discussion on policies and programmes for fostering equitable employee representation across its global operations		N/A	N/A	
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	Presentation currency (Rs)	-	-
Product Sourcing, Packaging and Marketing	Revenue from products third-party certified to environmental or social sustainability standards	CG-MR-410a.1	Presentation currency (Rs)	-	-
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	CG-MR-410a.2	N/A	Used consumables, including toner cartridges, are collected and directed to authorised handlers for safe disposal, while capital equipment is decommissioned through cannibalisation and directed to certified e-waste recyclers.	Each workshop is equipped with an on-site Water Treatment Plant (WTP) to neutralise chemical residues prior to discharge. High-impact automotive waste is managed through a formal agreement with a certified battery recycling partner, ensuring safe disposal and mineral recovery of New Energy Vehicle (NEV) batteries.
	Discussion of strategies to reduce the environmental impact of packaging.	CG-MR-410a.3	N/A	N/A	

Table 3a: Activity Metric

Activity Metrics	Code	Unit of Measure	John Keells Office Automation (Private) Limited	John Keells CG Auto (Private) Limited
Number of retail locations	CG-MR-000.A	Number	1*	5**
Number of distribution centres		Number	-	-
Total area of retail space	CG-MR-000.B	Square meters (m^2)	1,628	34,100
Total area of distribution centres		Square meters (m^2)	-	-

**Showrooms only.*
**JKCG also operates service centres, delivery hubs, and pre-delivery inspection facilities, which are not included in this metric.*

Leisure Industry Group

Table 1: Sustainability Disclosure Topics and Metrics – Hotels and Lodging

Topic	Metric	Code	Unit of Measure	John Keells Hotels PLC	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Energy Management	Total energy consumed	SV-HL-130a.1	Gigajoules (GJ)	288,177	61,239	47,337	150,895
	Percentage grid electricity		Percentage (%)	24	62	57	97
	Percentage renewable		Percentage (%)	0.7	-	0.3	-
Water Management	Total water withdrawn	SV-HL-140a.1	Thousand cubic meters (m^3)	664	159	166	261
	Total water consumed		Thousand cubic meters (m^3)	132	34	27	52
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.			
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)				
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	SV-HL-160a.1	Number	9	-	-	-
	Description of environmental management policies and practices to preserve ecosystem services	SV-HL-160a.2	N/A	Cinnamon Hotels & Resorts maintains an Sustainability Management Framework guided by an overarching Sustainability policy, Environmental, Biodiversity, and Wildlife Interaction policies, with the environmental policy aligned with ISO 14001 principles. These policies apply across operations to minimise resource use, pollution, and waste, while protecting habitats, restoring ecosystems, and supporting responsible sourcing. Site-level biodiversity assessments and action plans, along with controls on wildlife interaction, help preserve ecosystem services including water quality, climate regulation, and cultural and ecological value. *Refer Biodiversity and Ecosystem Stewardship section of the Natural Capital Review for further information on initiatives – page 88.*			

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	John Keells Hotels PLC	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Labour Practices	Voluntary turnover rate for lodging facility employees	SV-HL-310a.1	Percentage (%)	24	15	21	31
	Involuntary turnover rate for lodging facility employees		Percentage (%)	10	5	3	9
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	SV-HL-310a.2	Presentation currency (Rs.)	0.29 million	1.8 million	-	0.5 million
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	Relates to the settlement of outstanding statutory employee benefit obligations, specifically unpaid ETF/EPF contributions.	Relates to a court judgement or legal order issued following the conclusion of a disciplinary process, which resulted in the termination of employment.	-	Relates to a settlement arising from the termination of employment
	Average hourly wage	SV-HL-310a.3	Presentation currency (Rs.)	233.05	256.35	147.88	268.86
	Percentage of lodging facility employees earning minimum wage, by region		Percentage (%)	27	8	2	0.4
	Description of policies and programmes to prevent worker harassment	SV-HL-310a.4	N/A	Cinnamon Hotels & Resorts maintains a zero-tolerance approach to workplace harassment, supported by a comprehensive Code of Conduct, a dedicated Policy Against Sexual Harassment, and whistleblower mechanisms aligned with International Labour Organization principles. These policies prohibit all forms of harassment and discrimination, extend to third-party staff through supplier standards, and include clear, confidential reporting channels with non-retaliation safeguards and defined investigation and disciplinary procedures. Preventive programmes include mandatory employee training, annual refresher sessions, and leadership-focused capacity building to identify and address risks early. Given the customer-facing nature of operations, Cinnamon also promotes staff empowerment to manage guest-related incidents. Ongoing awareness initiatives, employee feedback mechanisms, and internal monitoring processes support continuous improvement and reinforce a safe, respectful, and inclusive workplace culture. *Refer Diversity, Equity and Inclusion section of the Human Capital Review for further information – page 108.*			
Climate Change Adaptation	Number of lodging facilities located in 100-year flood zones	SV-HL-450a.1	Number	11	1	1	1

Table 1a: Activity Metrics

Activity Metrics	Code	Unit of Measure	John Keells Hotels PLC	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Number of available room-nights	SV-HL-000.A	Number	611,670	98,596	118,278	257,664
Average occupancy rate	SV-HL-000.B	Rate	74.61%	68.26%	78.21%	38.90%
Total area of lodging facilities	SV-HL-000.C	Square meters (m^2)	243,990	68,277	34,523	131,217
Number of lodging facilities	SV-HL-000.D	Number	13	1	1	1
Percentage that are 1. Managed 2. Owned and leased 3. Franchised	SV-HL-000.D	Percentage (%)	 1 - 15 2 - 85 3 -	 1 - 2 -100 3 -	 1 - 2 - 100 3 -	 1 - 2 - 100 3 -

Table 2: Sustainability Disclosure Topics and Metrics – Restaurants

The scope of disclosure covers overall hotel operations and is not limited to food and beverage operations reported under the Restaurants Standard.

Topic	Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Energy Management	Total energy consumed	FB-RN-130a.1	Gigajoules (GJ)	61,239	47,337	150,895
	Percentage grid electricity		Percentage (%)	62	57	97
	Percentage renewable		Percentage (%)	-	0.3	-
Water Management	Total water withdrawn	FB-RN-140a.1	Thousand cubic meters (m^3)	159	166	261
	Total water consumed		Thousand cubic meters (m^3)	34	27	52
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	-	-
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	-	-
Food and Packaging Waste Management	Total amount of waste	FB-RN-150a.1	Metric tonnes (MT)	502	371	1,039
	Percentage food waste		Percentage (%)	83	84	43
	Percentage diverted		Percentage (%)	90	99	100

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
	Total weight of packaging	FB-RN-150a.2	Metric tonnes (MT)	This metric is not currently disclosed due to limitations in data availability.		
	Percentage made from recycled or renewable materials		Percentage (%)			
	Percentage that is recyclable, reusable, or compostable		Percentage (%)			
Food Safety	Percentage of restaurants inspected by a food safety oversight body	FB-RN-250a.1	Percentage (%)	100	100	100
	Percentage receiving critical violations		Percentage (%)	-	-	-
	Number of recalls issued	FB-RN-250a.2	Number	-	-	-
	Total amount of food product recalled		Metric tonnes (MT)	-	-	-
	Number of confirmed foodborne disease outbreaks	FB-RN-250a.3	Number	-	-	-
	Percentage resulting in public health authority investigation		Percentage (%)	-	-	-
Nutritional Content	Percentage of meal options consistent with dietary guidelines	FB-RN-260a.1	Percentage (%)	Data for these metrics is not currently available, as menus are dynamic and rotate frequently across à la carte and buffet offerings, limiting consistent classification against dietary guidelines. However, allergen information is provided. The relevant business units are assessing approaches to strengthen classification and enable future disclosure.		
	Revenue from these options		Presentation currency (Rs.)			
	Percentage of children's meal options consistent with dietary guidelines for children	FB-RN-260a.2	Percentage (%)			
	Revenue from these options		Presentation currency (Rs.)			
	Percentage of advertising impressions made on children	FB-RN-260a.3	Percentage (%)	The businesses abide by the applicable laws including regulations published under the Food Act. Food (Labelling and Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, businesses do not market any products to children below the age of 12 years. There is no established mechanism to track impressions on children and therefore there is no published data available, to report under this metric.		
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines for children		Percentage (%)			

Topic	Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Labour Practices	Voluntary turnover rate for restaurant employees	FB-RN-310a.1	Percentage (%)	15	21	31
	Involuntary turnover rate for restaurant employees		Percentage (%)	5	3	9
	Average hourly wage, by region	FB-RN-310a.2	Presentation currency	256.35	147.88	268.86
	Percentage of restaurant employees earning minimum wage, by region		Percentage (%)	8	2	4
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	FB-RN-310a.3	Presentation currency (Rs.)	1.8 million	-	0.5 million
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination		Presentation currency (Rs.)	-	-	-
Supply Chain Management and Food Sourcing	Percentage of food purchased that meets environmental and social sourcing standards	FB-RN-430a.1	Percentage (%) by cost	Not reported for the current year, as the Group does not currently maintain a formal mechanism to collect these specific supplier-level metrics as there has not been a mandatory reporting requirement to do so. The Group recognises the relevance of these disclosures and is evaluating the feasibility of integrating the required data points into the annual food supplier review framework, in coordination with the audit partner. Accordingly, the Group intends to develop an appropriate data collection mechanism to enable disclosure in future reporting periods.		
	Percentage of food purchased that is certified to third-party environmental or social standards		Percentage (%) by cost			
	Percentage of eggs that originated from a cage-free environment	FB-RN-430a.2	Percentage (%) by number			
	Percentage of pork that was produced without the use of gestation crates		Percentage (%) by weigh			
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-RN-430a.3	N/A			

Table 2a; Activity Metrics

Activity Metrics	Code	Unit of Measure	Asian Hotels and Properties PLC	Trans Asia Hotels PLC	Waterfront Properties (Private) Limited
Number of entity-owned restaurants	FB-RN-000.A	Number	8	6	12
Number of franchise restaurants		Number	-	-	-
Number of employees at entity-owned restaurants	FB-RN-000.B	Number	407	294	370
Number of employees at franchise locations		Number	N/A	N/A	N/A

Table 3: Sustainability Disclosure Topics and Metrics – Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	Cinnamon Hotel Management Limited	Walkers Tours Limited	Whittall Boustead (Travel) Limited
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*		
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	N/A	The business units maintain policies and procedures governing the collection, use, storage, disclosure, and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity, and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes, and ongoing compliance monitoring to support the reasonable management and protection of customer information. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*		
	Number of data breaches	SV-PS-230a.3	Number	-	-	-
	Percentage that involve customers' confidential business information		Percentage (%)	-	-	-
	Percentage that involve personal data breaches		Percentage (%)	-	-	-
	Number of individuals affected		Number	-	-	-
	Number of individuals affected		Number	-	-	-
	Description of corrective actions implemented in response to data breaches		N/A	N/A	N/A	N/A
Workforce Diversity and Engagement	Percentage of gender representation for a. Executive Management b. Non-Executive Management c. Other	SV-PS-330a.1	Percentage (%)	Male / Female a. 79 / 21 b. 43 / 57 c. 38 / 63	Male / Female a. 63 / 37 b. 45 / 55 c. 100 / -	Male / Female a. 62 / 38 b. 56 / 44 c. - / -
	Diversity by Age group a. Executive Management b. Non-Executive Management c. Other		Percentage (%)	a. Age group / % <30 / - 30-50 / 68 >50 / 32 b. Age group / % <30 / 46 30-50 / 48 >50 / 6	a. Age group / % <30 / - 30-50 / 75 >50 / 25 b. Age group / % <30 / 67 30-50 / 29 >50 / 4	a. Age group / % <30 / - 30-50 / 100 >50 / - b. Age group / % <30 / 50 30-50 / 38 >50 / 12

Topic	Metric	Code	Unit of Measure	Cinnamon Hotel Management Limited	Walkers Tours Limited	Whittall Boustead (Travel) Limited
				c. Age group | % <30 | 69 30-50 | 31 >50 | -	c. Age group | % <30 | 33 30-50 | 33 >50 | 33	c. Age group | % <30 | - 30-50 | - >50 | -
	Describe its policies and programmes for fostering equitable employee representation across its global operations		N/A	Equitable employee representation is advanced through governance anchored in 'Inclusivity' as an organisational value and reinforced by a clear policy framework including equal opportunity, non-discrimination, and zero tolerance for harassment, discrimination, or unethical conduct. DE&I priorities are strengthened through leadership oversight and cascaded to business leaders, supported by inclusive recruitment practices, structured listening mechanisms, and targeted programmes.	As a destination management business, Diversity, Equity, and Inclusion (DE&I) principles are embedded within workplace policies and actively supported by leadership. Policies promote equal opportunity across recruitment, training, career progression, and remuneration regardless of gender, race, ethnicity, disability, religion, or sexual orientation. Additional policies prohibit discrimination, harassment, and inappropriate workplace conduct, including sexual harassment. Employee well-being is further supported through paternity leave and initiatives encouraging accessibility and employment opportunities for persons with disabilities, fostering a safe, respectful, and inclusive workplace culture	
	Voluntary turnover rate for employees	SV-PS-330a.2	Percentage (%)	17	5	18
	Involuntary turnover rate for employees		Percentage (%)	0.5	-	2
	Employee engagement as a percentage		Percentage (%)	The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. The assessment of engagement levels, as classified by SASB, is currently in progress.		
	Description of the method employed	SV-PS-330a.3	N/A	The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results. *Refer Employee Engagement and well-being section of the Human Capital Review for further information – page 104.*		
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	N/A	Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees, and reinforced by leadership oversight and established compliance mechanisms to ensure employees align by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations.		
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Presentation currency (Rs.)	-	-	-

SLFRS S1 AND S2 DISCLOSURES

Table 3a: Activity Metrics

Activity Metrics	Code	Unit of Measure	Cinnamon Hotel Management Limited	Walkers Tours Limited	Whittall Boustead (Travel) Limited
Number of Employees by categories: a. Full time Employees b. Part Time Employees c. Temporary Employees d. Contract Employees	SV-PS-000.A	Number	 a. 210 b. – c. – d. 32	 a. 205 b. – c. – d. 59	 a. 26 b. - c. - d. 9
Employee hours worked, percentage billable	SV-PS-000.B	Hours	453,600 -	442,800 -	56,160 -

Table 4: Sustainability Disclosure Topics and Metrics – Road Transportation

Topic	Metric	Code	Unit of Measure	Walkers Tours Limited	Whittall Boustead (Travel) Limited
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-RO-110a.1	Metric tonnes (tCO_2e)	295	38
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-RO-110a.2	N/A	Walkers Tours manages its Scope 1 emissions primarily through its owned vehicle fleet, which represents the largest source of direct fuel combustion. The company's short term strategy focuses on improving fleet efficiency through regular maintenance, driver training for fuel-efficient driving, route optimization, and gradually increasing the share of low-emission (Ad blue powered large coaches) or hybrid vehicles. These actions are supported by fuel-use monitoring and real-time reporting through the ESG Dashboard. In the long term, Walkers Tours aims to progressively transition the fleet toward cleaner technologies, including hybrid and electric vehicles, and align with national goals for low-carbon mobility. Infrastructure readiness such as EV charging at company facilities is a key component of the long-term plan.	
	Total fuel consumed	TR-RO-110a.3	Gigajoules (GJ)	4,068	519
	Percentage of natural gas		Percentage (%)	-	-
	Percentage of renewable fuel		Percentage (%)	-	-
Air Quality	Air emissions of the following pollutants; 1. NOx (excluding N_2O) 2. Sox 3. Particulate matter (PM_{10})	TR-RO-120a.1	Metric tonnes (MT)	N/A - the business units do not monitor vehicle emissions from outsourced vehicles.	
Workforce Conditions, Health and Safety	Total recordable incident rate (TRIR)	TR-RO-320a.1	Rate		
	Fatality rate for direct employees	TR-RO-320a.2	Rate	N/A – Company employees are not involved in transportation	N/A – Company employees are not involved in transportation
	Fatality rate for contract employees	TR-RO-320a.3	Rate	-	-
	Voluntary turnover rate for all employees	TR-RO-320a.2	Percentage (%)	N/A	N/A
	Involuntary turnover rate for all employees		Percentage (%)	N/A	N/A

Topic	Metric	Code	Unit of Measure	Walkers Tours Limited	Whittall Boustead (Travel) Limited
	Description of approach to managing short-term and long-term driver health risks	TR-RO-320a.3	n/a	The Destination Management sector has established a structured approach to managing both short-term and long-term driver health risks, ensuring the safety, well-being, and resilience of its workforce. In the short term, measures include the provision of safe and adequate accommodation for chauffeur guides, enabling rest and recovery during assignments, and the implementation of frequent medical check-ups to monitor health conditions proactively. These practices reduce fatigue, improve alertness, and safeguard customer safety. For long-term risk management, the business invests in ROSPA-certified training programs to strengthen driver awareness of road safety and accident prevention. In addition, all drivers undergo First Aid training, equipping them with essential skills to respond effectively to emergencies. The Company also prioritises the improvement of labor conditions, ensuring fair treatment, safe working environments, and compliance with international standards on occupational health and safety.	
Accident and Safety Management	Number of road accidents and incidents	TR-RO-540a.1	Number	7	2
	Number of spills and releases to the environment	TR-RO-540a.3	Number	N/A	N/A
	Aggregate volume of spills and releases to the environment		Cubic meters (m^3)	N/A	N/A

Table 4a: Activity Metrics

Activity Metrics	Code	Unit of Measure	Walkers Tours Limited	Whittall Boustead (Travel) Limited
Revenue tonne-kilometers (RTK)1	TR-RO-000.A	RTK	N/A	N/A
Load factor2	TR-RO-000.B	Number	N/A	N/A
Number of employees, number of truck drivers	TR-RO-000.C	Number	N/A	N/A

Property Industry Group

Table 1: Sustainability Disclosure Topics and Metrics – Real Estate Services

Topic	Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Mackinnons Keells Limited	Whittall Boustead (Private) Limited	Waterfront Properties (Private) Limited
Sustainability Services	Revenue from energy and sustainability services	IF-RS-410a.1	Presentation currency (Rs.)	-	-	-	-
	Floor area under management provided with energy and sustainability services	IF-RS-410a.2	Square metres (m^2)	-	-	-	-
	The number of buildings for which it provided energy and sustainability-related services	IF-RS-410a.2	Number	-	-	-	-
	Floor area under management that obtained an energy rating	IF-RS-410a.3	Square metres (m^2)	N/A	N/A	N/A	N/A
	Number of buildings under management that obtained an energy rating	IF-RS-410a.3	Number	N/A	N/A	N/A	N/A

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Mackinnons Keells Limited	Whittall Boustead (Private) Limited	Waterfront Properties (Private) Limited
Transparent Information and Management of Conflict of Interest	Brokerage revenue from dual agency transactions	IF-RS-510a.1	Presentation currency (Rs.)	N/A	N/A	N/A	N/A
	Discussion on how it manages potential conflicts of interest in dual agency transactions		N/A	N/A	N/A	N/A	N/A
	Revenue from transactions associated with appraisal services	IF-RS-510a.2	Presentation currency (Rs.)	N/A	N/A	N/A	N/A
	Discussion on how it manages potential conflicts of interest in appraisals		N/A	N/A	N/A	N/A	N/A
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	IF-RS-510a.3	Presentation currency (Rs.)	-	-	-	-

Table 1a: Activity Metrics

Activity Metric	Code	Unit of Measure	Asian Hotels and Properties PLC	Mackinnons Keells Limited	Whittall Boustead (Private) Limited	Waterfront Properties (Private) Limited
Number of property management clients, categorised by Tenants	IF-RS-000.A	Number	69	9	18	5
Number of property management clients, categorised by: Real estate owners		Number	1	-	1	-
Floor area under management with owner operational control	IF-RS-000.B	Square metres (m^2)	145,196	30,793	62,802	18,958
Number of buildings under management with owner operational control	IF-RS-000.C	Number	N/A	1	1	1
Number of leases transacted, categorised by Tenants	IF-RS-000.D	Number	35	9	25	2
Number of leases transacted, categorised by Real estate owners	IF-RS-000.D	Number	-	-	-	18
Number of appraisals provided	F-RS-000.E	Number	-	-	-	-

Table 2: Sustainability Disclosure Topics and Metrics – Home Builders

Topic	Metric	Code	Unit of Measure	John Keells Properties Ja-Ela (Private) Limited
Land Use and Ecological Impacts	Number of 1. Lots 2. Homes delivered on redevelopment sites	IF-HB-160a.1	Number	N/A - Project is under development
	Number of 1. Lots 2. Homes in regions with High or Extremely High Baseline Water Stress	IF-HB-160a.2	Number	N/A - Project is under development

Topic	Metric	Code	Unit of Measure	John Keells Properties Ja-Ela (Private) Limited
	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	IF-HB-160a.3	Presentation currency (Rs.)	-
	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	IF-HB-160a.4	N/A	Environmental considerations are integrated across site selection, design, and development through a structured approach. Site selection prioritises locations with existing infrastructure, such as roads and utilities, to minimise resource use and environmental disturbance. Design incorporates central green spaces that function as ecological buffers and community hubs, alongside sustainable features such as permeable pavements and rainwater harvesting to manage stormwater and reduce flood risk. Site layouts promote walkability by connecting pathways and open spaces, reducing reliance on vehicles. Waste segregation and recycling facilities are also embedded to minimise construction and operational waste.
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	IF-HB-320a.1	Rate	2
	Total recordable incident rate (TRIR) for contract employees		Rate	9
	Total recordable fatality rate for direct employees	IF-HB-320a.1	Rate	-
	Total recordable fatality rate for contract employees		Rate	-
Design for Resource Efficiency	Number of homes that obtained a certified residential energy efficiency rating and	IF-HB-410a.1	Number	N/A - Project is under development
	Average energy rating		Number	N/A
	Percentage of installed water fixtures certified to a water efficiency standard	IF-HB-410a.2	Percentage (%)	N/A - as there is no jurisdictional water efficiency certification standard for fixtures in Sri Lanka.
	Number of homes delivered certified to a third-party multi-attribute green building standard	IF-HB-410a.3	Number	N/A - Project is under development
	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	IF-HB-410a.4	N/A	» Higher Upfront Costs: Installing solar panels, rainwater harvesting systems, or advanced insulation may increase initial construction expenses. » Supply Chain Issues: Limited availability of sustainable materials or skilled labour can delay project. » Weather Impact : Adverse weather may affect for progress of construction activities which can delay the project. » Environmental Benefits: Reduced GHG emissions footprint through lower energy and water consumption. » Health and Comfort: Better indoor air quality, natural lighting, and temperature regulation improve residents' well-being. **Communicating Benefits to Customers** Homes with working solar panels, rainwater systems, or natural ventilation allow customers to see benefits firsthand.

Topic	Metric	Code	Unit of Measure	John Keells Properties Ja-Ela (Private) Limited
Community Impacts of New Developments	Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	IF-HB-410b.1	N/A	1. Strategic Location: The project site near Ja-Ela town was chosen due to its excellent connectivity to the Colombo–Katunayake Expressway, enabling fast access to Colombo city and Bandaranaike International Airport. 2. Urban Amenities: Proximity to supermarkets, Railway station, schools, hospitals, and banks ensures residents have convenient access to daily needs and essential services. 3. Being close to Ja-Ela's commercial hub and industrial zones provides employment opportunities and supports long-term demand for housing.
	Number of controlled lots located on infill sites	IF-HB-410b.2	Number	10
	Number of homes delivered on infill sites	IF-HB-410b.2	Number	N/A
	Number of homes delivered in compact developments	IF-HB-410b.3	Number	N/A
	Average density	IF-HB-410b.3	Number	N/A
Climate Change	Number of lots located in 100-year flood zones	IF-HB-420a.1	Number	-
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-HB-420a.2	N/A	Heat stress: Rising temperatures increase cooling demand, impacting energy consumption and occupant comfort. Building designs prioritise space efficiency, natural light, and ventilation to reduce energy demand. Water resilience: Supported through rainwater harvesting, tube wells, and on-site sewage treatment to enhance water efficiency and reduce resource stress. Biodiversity impact: Developments incorporate native landscaping, green infrastructure, and water-sensitive design to enhance ecological value and support a net positive impact relative to the existing urban baseline.

Table 2a: Sustainability Disclosure Topics and Metrics – Home Builders

Topic	Code	Unit of Measure	John Keells Properties Ja-Ela (Private) Limited
Number of controlled lots	IF-HB-000.A	Number	10
Number of homes delivered	IF-HB-000.B	Number	-
Number of active selling communities	IF-HB-000.C	Number	5

Table 3: Sustainability Disclosure Topics and Metrics – Hotels and Lodging

Topic	Metric	Code	Unit of Measure	Rajawella Holdings
Energy Management	Total energy consumed	SV-HL-130a.1	Gigajoules (GJ)	7,416
	Percentage grid electricity		Percentage (%)	75
	Percentage renewable		Percentage (%)	-
Water Management	Total water withdrawn		Thousand cubic meters (m^3)	213
	Total water consumed		Thousand cubic meters (m^3)	213
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress	SV-HL-140a.1	Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.
	Percentage of water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	SV-HL-160a.1	Number	N/A
	Description of environmental management policies and practices to preserve ecosystem services	SV-HL-160a.2	N/A	N/A
Labour Practices	Voluntary turnover rate for lodging facility employees	SV-HL-310a.1	Percentage (%)	36
	Involuntary turnover rate for lodging facility employees		Percentage (%)	-
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	SV-HL-310a.2	N/A	-
	Average hourly wage, by region	SV-HL-310a.3	Presentation currency (Rs.)	283.43
	Percentage of lodging facility employees earning minimum wage, by region		Percentage (%)	-
	Description of policies and programmes to prevent worker harassment	SV-HL-310a.4	N/A	Worker harassment is addressed through adherence to Group policies such as the Code of Conduct, Anti-Sexual Harassment and Speak-up policies and processes, supported by employee awareness and training initiatives. *Refer Diversity, Equity and Inclusion section of the Human Capital Review for further information – page 108.*
Climate Change Adaptation	Number of lodging facilities located in 100 year flood zones	SV-HL-450a.1	Number	N/A

SLFRS S1 AND S2 DISCLOSURES

Table 3a: Activity Metrics

Topic	Code	Unit of Measure	Rajawella Holdings
Number of available room-nights	SV-HL-000.A	Number	16,380
Average occupancy rate	SV-HL-000.B	Number	43.7

Table 4: Sustainability Disclosure Topics and Metrics – Leisure Facilities

Topic	Metric	Code	Unit of Measure	Rajawella Holdings
Energy Management	Total energy consumed,	SV-LF-130a.1	Gigajoules (GJ)	7,416
	Percentage grid electricity		Percentage (%)	75
	Percentage renewable		Percentage (%)	-
Customer Safety	Fatality rate for customers	SV-LF-250a.1	Rate	-
	Injury rate for customers		Rate	-
	Percentage of facilities inspected for safety	SV-LF-250a.2	Percentage (%)	-
	Percentage of facilities that failed inspection		Percentage (%)	-
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	SV-LF-320a.1	Rate	3
	Total recordable incident rate (TRIR) for contract employees		Rate	-
	Near miss frequency rate (NMFR) for direct employees		Rate	-
	Near miss frequency rate (NMFR) for contract employees		Rate	-

Table 4a: Sustainability Disclosure Topics and Metrics – Leisure Facilities

Topic	Code	Unit of Measure	Rajawella Holdings
Attendance	SV-LF-000.A	Number	N/A
Number of customer-days	SV-LF-000.B	Number	N/A

Financial Services Industry Group

Table 1: Sustainability Disclosure Topics and Metrics - Insurance

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	FN-IN-270a.1	Presentation currency (Rs.)	-
	Complaints-to-claims ratio	FN-IN-270a.2	Rate	3.0
	Customer retention rate	FN-IN-270a.3	Rate	85
	Description of approach to informing customers about products	FN-IN-270a.4	N/A	The benefits, features, and terms of each product are communicated clearly to customers and prospects. A well-trained sales force provides comprehensive guidance throughout the policyholder journey. All products are developed in full compliance with regulatory requirements and applicable laws. An omni-channel approach ensures easy access for customers seeking clarification or support on the product portfolio.
Incorporation of Environmental, Social and Governance Factors in Investment Management	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	N/A	Union Assurance took progressive steps during 2025 toward integrating ESG considerations into the investment management process, with a primary focus on generating sustainable investment income and optimising long-term risk-adjusted returns for policyholders and shareholders. During the year, efforts were focused on enhancing portfolio resilience through strategic asset allocation, active risk management, and sustainable return generation, while supporting responsible investment practices that reinforce long-term financial stability. The Company's fixed income portfolio is managed internally, with ESG considerations applied qualitatively when assessing issuer governance, environmental exposures, and social responsibility practices across government securities and corporate debentures. For the equity portfolio, which is managed by external fund managers, ESG integration is more explicitly embedded into the investment research process. External managers evaluate companies' performance across key environmental, social, and governance dimensions, recognising that a company's conduct and sustainability profile can have a meaningful impact on its long-term growth prospects and shareholder returns. In 2025, ESG considerations were incorporated across key stages of the investment lifecycle, including initial screening, issuer evaluation, and post-investment monitoring. Issuers with emerging ESG concerns were assessed with greater attention, and investment decisions were executed prudently to safeguard long-term value. Through this measured and evolving approach, the Company established a foundation for expanded ESG integration in subsequent reporting periods, while continuing to prioritise responsible investment behaviour and sustainable long term returns.

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	Presentation currency (Rs.)	N/A
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	FN-IN-410b.2	N/A	The Health 360 Rider – In order to incentivise healthy behaviours, UA is providing a 25% annual increase in Basic Annual Sum Insured for each claim-free year under Individual and Family Floater plans. The benefit can accumulate up to 100% of the original Basic Sum Insured without an increase in premium. If a claim is made, the accumulated increase reduces proportionately but never below the Basic Sum Insured. The cashless claim settlement process supports environmental objectives by reducing paperwork, physical document handling, and transport related emissions thereby contributing to a lower GHG emissions footprint. UA Click Life App incentivises healthy behaviour by rewarding users for completing wellness activities and maintaining healthy habits. This promotes long term well-being, responsible healthcare usage, and aligns with sustainability objectives. UA conducted monthly step challenges to promote fitness and physical activity, while also driving awareness of AI-powered calorie and sugar counters that help customers track their calorie and sugar intake from their meals.
Financed Emissions	Absolute gross financed emissions 1. Scope 1 2. Scope 2 3. Scope 3	FN-IN-410c.1	Metric tonnes (tCO_2e)	
	Gross exposure for each industry by asset class	FN-IN-410c.2	Presentation currency (Rs.)	-
	Percentage of gross exposure included in the financed emissions calculation	FN-IN-410c.3	Percentage %	-
	Description of the methodology used to calculate financed emissions	FN-IN-410c.4	N/A	The Company has elected to utilise transition relief for this metric and is in the process of establishing the required systems and processes for future disclosure.

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Presentation currency (Rs.)	Currently, UA mitigates financial risks associated with natural events using catastrophic insurance with applicable conditions. Due to limitations in the detailed information required to fully comply with SASB standards, we are unable to quantify these metrics at this time. However, the company remains committed to enhancing our data capabilities and improving our position in the future.
	Total amount of monetary losses attributable to insurance pay-outs from 1. modelled natural catastrophes 2. non-modelled natural catastrophes, 3. by type of event and geographical segment (net and gross of reinsurance)	FN-IN-450a.2	Presentation currency	Due to limitations in the detailed information required to fully comply with SASB standards, these metrics are not quantified at this time. Currently, UA mitigates financial risks associated with natural events using catastrophic re-insurance with applicable conditions.
	Description of approach to incorporation of environmental risks into the underwriting process for individual contracts	FN-IN-450a.3	N/A	UA will localise reinsurers' global underwriting standards to fit Sri Lankan market and regulatory needs. Guidance will be sought on integrating ESG factors into underwriting and whether a suitable system module exists. The aim is to automate checks e.g., linking policyholder data to sources like heat-level databases to trigger alerts for high-risk areas and occupations. Such ESG-based assessments may lead to additional health requirements, loadings, or limited coverage, making a comprehensive, up-to-date module essential.
	Description of approach to incorporation of environmental risks into the management of entity-level risks and capital adequacy		N/A	The entity integrates material environmental risks into its overall risk framework by assessing the impact and likelihood and incorporate them into governance, materiality, and risk-appetite processes. Currently Environmental scenarios are not embedded in stress testing and capital planning to evaluate potential impacts on solvency.
Systemic Risk Management	Exposure to derivative instruments by category: 1. total exposure to non centrally cleared derivatives 2. total fair value of acceptable collateral posted with a central clearinghouse 3. total exposure to centrally cleared derivatives	FN-IN-550a.1	Presentation currency (Rs.)	UA has no exposure to derivatives as of 31 December 2025
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Presentation currency (Rs.)	1.94 billion

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	N/A	Union Assurance manages capital-related risks through a disciplined framework that aligns the investment portfolios with the Company's long-term liability profile. This is achieved through rigorous asset–liability management (ALM), continuous capital adequacy monitoring, and strict adherence to internal investment risk controls, including defined limits on concentration, credit quality, and counterparty exposure. These measures ensure that external financial market volatility or exposures arising from non-insurance-related activities do not compromise the Company's solvency position. The Solvency margin is maintained in line with the Risk-Based Capital (RBC) framework prescribed by the Insurance Regulatory Commission of Sri Lanka (IRCSL) Solvency is assessed using the Capital Adequacy Ratio (CAR) methodology mandated by the Regulator, reinforcing the Company's commitment to maintaining a strong and compliant capital position at all times. Liquidity-related risks are mitigated through a conservative investment strategy focused on high-quality government securities, supported by regular liquidity gap analyses, cash-flow forecasting, and stress testing. This discipline ensures, Union Assurance remains well positioned to meet policyholder and shareholder obligations under both normal and stressed market conditions.

Table 1a: Activity Metrics

Activity Metric	Code	Unit of Measure	Union Assurance PLC
Number of policies in force, by segment	FN-IN-000.A	Number	
1. Property and casualty			1. N/A
2. Life			2. 0.3 million
3. Assumed reinsurance			3. N/A

Table 2: Sustainability Disclosure Topics and Metrics – Managed Care

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
Customer Privacy and Technology Standards	Description of policies and practices to secure customers' personal health data records and other personal data	HC-MC-230a.1	N/A	The Company has established robust policies including data protection, retention and disposal policies and practices to safeguard customers' personal data, including sensitive health information. Data is processed and stored in secure systems with access controls and monitoring mechanisms in line with ISO 27001 and emerging PDPA requirements. Only authorized personnel are permitted to access personal health records, and such access is governed by clearly defined approval workflows. Regular awareness training and continuous monitoring is carried out to ensure compliance with data protection standards and to prevent unauthorized disclosure or misuse.

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
	Number of data breaches	HC-MC-230a.2	Number	-
	Percentage of Data Breaches in which Customers' Personal Data (but not personal health data), was subject to data breach		Percentage (%)	-
	Percentage of Data Breaches in which Customers' Personal Health Data was subject to data breach		Percentage (%)	-
	Number of unique customers who were affected by data breaches in which the customers' personal data, but not personal health data, was subject to the data breach		Number	-
	Number of unique customers who were affected by data breaches in which the customers' personal health data, was subject to the data breach		Number	-
	Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	HC-MC-230a.3	Presentation currency (Rs.)	N/A
Access to Coverage	Percentage of total health care insurance premiums spent directly on medical claims and efforts to improve the quality of care	HC-MC-240a.1	Percentage (%)	39.6
	Description of policies and practices regarding customer access to coverage	HC-MC-240a.4	N/A	UA maintains a balanced product portfolio that caters to diverse segments of the Sri Lankan market, including: » Products with minimum case sizes designed for low-income customer segments. » Products tailored for high-net-worth customers. The entity integrates assessments of pre existing conditions and overall health status into its underwriting process in accordance with the established underwriting guidelines. Based on the evaluation of these factors, the company may request additional health disclosures, apply premium loadings, impose specific medical requirements, or offer limited coverage options. All such decisions are made following the standard underwriting guidelines to ensure fair and consistent risk assessment. The entity also adheres strictly to all applicable laws and regulations relating to the Life Insurance Industry and internal systems and compliance monitoring mechanisms are in place to ensure ongoing alignment.

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	Union Assurance PLC
Plan Performance	Enrollee retention rate by plan type	HC-MC-250a.2	Rate	This metric is not currently monitored
	Percentage of claims denied that were appealed by customers and ultimately reversed	HC-MC-250a.3	Percentage (%)	This metric is not currently monitored
	Plan enrollee grievance rate	HC-MC-250a.4	Rate	This metric is not currently monitored
	Description of plan performance and ratings for offered plan types, by region	HC-MC-250a.5	N/A	UA does not differentiate its life insurance products by region. All currently active plans are available nationwide, enabling customers across the country to select the most suitable life insurance coverage based on their protection needs and premium-paying capacity. At present, plan types are standardised and not customised by geographic location and also not required by regulations.
Improved Outcomes	Percentage of enrolees in wellness programs by type 1. diet and nutrition 2. exercise 3. stress management 4. mental health 5. smoking or alcohol cessation 6. other	HC-MC-260a.1	Percentage (%)	 1. – 2. 158 3. – 4. – 5. – 6. –
	Discussion of initiatives and programmes to maintain and improve enrolee health	HC-MC-260a.4	N/A	In 2025, the Clicklife App introduced a range of enhancements to strengthen our health and wellness offering. New monthly Step Challenges and weekly Active Minute Challenges were launched to drive sustained physical activity among policyholders. To further support nutritional awareness the App rolled out AI-enabled calorie and sugar-monitoring tools, delivering more accurate insights into daily dietary habits. These advancements reinforce our commitment to digital innovation and support our goal of improving policyholder engagement and overall health outcomes across our portfolio. In addition, we intend to introduce complimentary diabetic screening tokens, offered exclusively to policyholders, to reinforce our commitment to early detection and preventive care.
Climate Change Impacts on Human Health	Discussion of the strategy to address the effects of climate change on business operations and how specific risks presented by changes in the geographical incidence, morbidity and mortality of illnesses and diseases are incorporated into risk models	HC-MC-450a.1	N/A	Incorporation of climate-related impacts into pricing and actuarial risk models would require reliable long-term datasets covering multiple years and diverse climatic events. Such data is currently not available in sufficient volume at an individual insurer level. Additionally, life insurance pricing relies significantly on reinsurance morbidity and mortality assumptions. For climate-related risks to be fully embedded into actuarial models, corresponding adjustments would first need to be reflected within reinsurer pricing frameworks.

Table 2a: Activity Metrics

Activity Metric	Code	Unit of Measure	Union Assurance PLC
Number of enrollees by plan type	HC-MC-000.A	Number	-

Table 3: Sustainability Disclosure Topics and Metrics – Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	John Keells Stock Brokers (Private) Limited
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *For further information on processes and mitigation strategies refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review – page 131.*
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	N/A	The business units maintain policies and procedures governing the collection, use, storage, disclosure, and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity, and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes, and ongoing compliance monitoring to support the reasonable management and protection of customer information. *For further information Privacy, Data and Cybersecurity section of the Intellectual Capital Review – page 131.*
	Percentage that involve customers' confidential business information	SV-PS-230a.3	Percentage (%)	-
	Percentage that involve personal data breaches		Percentage (%)	-
	Number of customers affected		Number	-
	Number of individuals affected		Number	-
Workforce Diversity and Engagement	Percentage of gender representation for a. Executive Management b. Non-Executive Management c. Other	SV-PS-330a.1	Percentage (%)	

	Male	Female
a.	75	25
b.	41	59
c.	-	-

SLFRS S1 AND S2 DISCLOSURES

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>John Keells Stock Brokers (Private) Limited</th></tr>
<tr><td></td><td>Diversity By Age Group
a. Executive Management
b. Non-Executive Management
c. Other</td><td></td><td>Percentage (%)</td><td>a.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>50</td></tr><tr><td>>50</td><td>50</td></tr></table>b.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>27</td></tr><tr><td>30-50</td><td>55</td></tr><tr><td>>50</td><td>18</td></tr></table>c.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>-</td></tr><tr><td>>50</td><td>-</td></tr></table></td></tr>
<tr><td></td><td>Voluntary turnover rate for employees</td><td rowspan="2">SV-PS-330a.2</td><td>Percentage (%)</td><td>12</td></tr>
<tr><td></td><td>Involuntary turnover rate for employees</td><td>Percentage (%)</td><td>-</td></tr>
<tr><td></td><td>Employee engagement as a percentage</td><td rowspan="2"></td><td>Percentage (%)</td><td>The Employee Engagement Survey EmPulse was conducted during the reporting period, with a Group-wide response rate of 79%. Engagement levels as defined by SASB are currently being assessed.</td></tr>
<tr><td></td><td>Description of the method employed</td><td>SV-PS-330a.3</td><td>N/A</td><td>The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results.

Refer Employee Engagement and Well-being section of the Human Capital Review for further information – page 104.</td></tr>
<tr><td>Professional Integrity</td><td>Description of approach to ensuring professional integrity</td><td>SV-PS-510a.1</td><td>N/A</td><td>Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees, and reinforced by leadership oversight and established compliance mechanisms to ensure employees live by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations.

Refer The Code of Conduct for further information – page 343.</td></tr>
<tr><td></td><td>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</td><td>SV-PS-510a.2</td><td>Presentation currency (Rs.)</td><td>-</td></tr>
</table>

Table 2a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Stock Brokers (Private) Limited
Number of Employees by categories; a. Full time Employees b. Part Time Employees c. Temporary Employees d. Contract Employees	SV-PS-000.A	Number	 a. 26 b. - c. - d. -
Employee hours worked, percentage billable	SV-PS-000.B SV-PS-000.B	Hours Percentage (%)	62,640 -

Other, Including Information Technology and Plantation Services Industry Group

Table 1: Sustainability Disclosure Topics and Metrics - Software and IT Services

Topic	Metric	Code	Unit of Measure	John Keells Information Technology (Private) Limited
Environmental Footprint of Hardware Infrastructure	Total energy consumed	TC-SI-130a.1	Gigajoules (GJ)	329
	Percentage of grid electricity		Percentage (%)	99
	Percentage of renewable energy		Percentage (%)	-
	Total water withdrawn	TC-SI-130a.2	Thousand cubic meters (m^3)	2
	Total water consumed		Thousand cubic meters (m^3)	0.11
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn from areas classified as High or Extremely High baseline water stress during the reporting period.
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	N/A	N/A - Data centre requirements are fully managed through cloud-based infrastructure
Data Privacy and Freedom of Expression	Description of policies and practices relating to targeted advertising and user privacy	TC-SI-220a.1	N/A	The organisation safeguards user and employee information through non-disclosure agreements, adherence to the Group IT Policy, and alignment with ISO/IEC 27001 information security standards, and does not disclose, publish, or share any data externally without the explicit consent of the relevant individual. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review – page 131.*
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Number	-
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Presentation currency (Rs.)	-
	Number of law enforcement requests for user information	TC-SI-220a.4	Number	-
	Number of users whose information was requested		Number	-
	Percentage resulting in disclosure		Percentage (%)	-

SLFRS S1 AND S2 DISCLOSURES

Topic	Metric	Code	Unit of Measure	John Keells Information Technology (Private) Limited
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	N/A	N/A
Data Security	Number of data breaches	TC-SI-230a.1	Number	-
	Percentage that are personal data breaches		Percentage (%)	-
	Number of users affected		Number	-
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	N/A	To mitigate business continuity risks related to technology disruptions, the business has implemented a layered risk management approach. This includes conducting regular cybersecurity awareness sessions and simulated phishing campaigns to strengthen human defenses, alongside continuous system monitoring and automated alert mechanisms for rapid threat detection. All activities are governed by and comply with the Group IT Policy, which standardises our security controls, incident response, and infrastructure resilience requirements across operations. These measures are designed to proactively identify vulnerabilities, ensure rapid response to incidents, and maintain the availability and integrity of our critical services. *Refer Non-financial performance section of the Industry Group Reviews and the Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information on strategies.*
Recruiting and Managing a Global, Diverse and Skilled Workforce	Percentage of employees that require a work visa	TC-SI-330a.1	Percentage (%)	5
	Discussion on any potential risks of recruiting employees that require a work visa, and how the entity manages these risks		N/A	Any visa-related exposure associated with employees hired in Dubai is managed through a Professional Relations Officer (PRO), who ensures compliance with local immigration requirements and supports continuity of employment through timely visa processing and renewals.
	Employee engagement as a percentage		Percentage (%)	The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. The assessment of engagement levels, as classified by SASB, is currently in progress.
	Description of method employed	TC-SI-330a.2	N/A	The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results. *Refer Employee Engagement and Well-being section of the Human Capital Review for further information – page 104.*
	Percentage of gender representation for; a. Executive Management b. Non-executive management c. Technical employees d. all other employees	TC-SI-330a.3	Percentage (%)	

	Male	Female
a.	-	100
b.	64	36
c.	67	33
d.	100	-

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>John Keells Information Technology (Private) Limited</th></tr>
<tr><td></td><td>Percentage of diversity by age group representation for;
a. Executive Management
b. Non-executive management
c. Technical employees
d. all other employees</td><td></td><td>Percentage (%)</td><td>a.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>50</td></tr><tr><td>>50</td><td>50</td></tr></table>
b.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>36</td></tr><tr><td>30-50</td><td>57</td></tr><tr><td>>50</td><td>7</td></tr></table>
c.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>34</td></tr><tr><td>30-50</td><td>58</td></tr><tr><td>>50</td><td>8</td></tr></table>
d.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>100</td></tr><tr><td>>50</td><td>-</td></tr></table></td></tr>
<tr><td></td><td>Discussion on its policies and programmes for fostering equitable employee representation across its global operations</td><td></td><td>N/A</td><td>Equitable employee representation is guided by a Diversity, Equity and Inclusion (DE&I) framework aligned with the JKH Group's policies, that promotes non-discrimination across recruitment, promotion, compensation, and development.
Refer Diversity, Equity and Inclusion section of the Human Capital Review – page 108.</td></tr>
<tr><td>Intellectual Property Protection and Competitive Behavior</td><td>Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations</td><td>TC-SI-520a.1</td><td>Presentation currency (Rs.)</td><td>-</td></tr>
<tr><td rowspan="4">Managing Systemic Risks from Technology Disruptions</td><td>Number of performance issues</td><td rowspan="3">TC-SI-550a.1</td><td>Number</td><td>-</td></tr>
<tr><td>Number of service disruptions</td><td>Number</td><td>-</td></tr>
<tr><td>Total customer downtime</td><td>Days</td><td>-</td></tr>
<tr><td>Description of business continuity risks related to disruptions of operations</td><td>TC-SI-550a.2</td><td>N/A</td><td>JKIT has technical failures, hosting failures, cybersecurity incidents, natural disasters, and third-party dependencies. Unavailability of network and bandwidth, power failures, unstable political, social environment due to pandemic / economic climate.</td></tr>
</table>

Table 1a: Activity Metrics

Activity Metric	Code	Unit of Measure	John Keells Information Technology (Private) Limited
1. Number of licences or subscriptions 2. Percentage cloud-based	TC-SI-000.A	Number, percentage (%)	1. 3 Subscriptions 2. 100
1. Data processing capacity 2. Percentage outsourced	TC-SI-000.B	Number, percentage (%)	1. Virtually unlimited 2. 100
1. Amount of data storage 2. Percentage outsourced	TC-SI-000.C	Number, percentage (%)	1. Virtually unlimited 2. 100

SLFRS S1 AND S2 DISCLOSURES

Table 2: Sustainability Disclosure Topics and Metrics - Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	Infomate (Private) Limited	John Keells PLC
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*	
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	N/A	The business units maintain policies and procedures governing the collection, use, storage, disclosure, and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity, and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes, and ongoing compliance monitoring to support the reasonable management and protection of customer information. *Refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review for further information – page 131.*	
	Number of data breaches	SV-PS-230a.3	Number	-	-
	Percentage that involve customers' confidential business information		Percentage (%)	-	-
	Percentage that involve . personal data breaches		Percentage (%)	-	-
	Number of customers affected		Number	-	-
	Number of individuals affected		Number	-	-
Workforce Diversity and Engagement	Percentage of gender representation for a. Executive Management b. Non-executive management c. Other	SV-PS-330a.1	Percentage (%)	Male / Female a. 100 / - b. 38 / 62 c. - / 100	Male / Female a. 100 / - b. 55 / 45 c. 89 / 11
	Diversity by age group a. Executive Management b. Non-executive management c. Other		Percentage (%)	a. Age group / % <30 / - 30-50 / 50 >50 / 50	a. Age group / % <30 / - 30-50 / 100 >50 / -

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>Infomate (Private) Limited</th><th>John Keells PLC</th></tr>
<tr><td></td><td></td><td></td><td></td><td>b.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>75</td></tr><tr><td>30-50</td><td>24</td></tr><tr><td>>50</td><td>1</td></tr></table>
c.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>100</td></tr><tr><td>30-50</td><td>-</td></tr><tr><td>>50</td><td>-</td></tr></table></td><td>b.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>26</td></tr><tr><td>30-50</td><td>61</td></tr><tr><td>>50</td><td>13</td></tr></table>
c.
<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>11</td></tr><tr><td>>50</td><td>89</td></tr></table></td></tr>
<tr><td></td><td>Voluntary turnover rate for employees</td><td rowspan="2">SV-PS-330a.2</td><td>Percentage (%)</td><td>-</td><td>26</td></tr>
<tr><td></td><td>Involuntary turnover rate for employees</td><td>Percentage (%)</td><td>3</td><td>5</td></tr>
<tr><td></td><td>Employee engagement as a percentage</td><td rowspan="2">SV-PS-330a.3</td><td>Percentage (%)</td><td colspan="2">The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. The assessment of engagement levels, as classified by SASB, is currently in progress.</td></tr>
<tr><td></td><td>Description of the method employed</td><td>N/A</td><td colspan="2">The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results.

Refer Employee Engagement and Well-being section of the Human Capital Review for further information – page 104.</td></tr>
<tr><td>Professional Integrity</td><td>Description of approach to ensuring professional integrity</td><td>SV-PS-510a.1</td><td>N/A</td><td colspan="2">Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees, and reinforced by leadership oversight and established compliance mechanisms to ensure employees align by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations.

Refer The Code of Conduct for further information – page 343.</td></tr>
<tr><td></td><td>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</td><td>SV-PS-510a.2</td><td>Presentation currency (Rs)</td><td>-</td><td>-</td></tr>
</table>

SLFRS S1 AND S2 DISCLOSURES

Table 2a: Activity Metrics

Activity Metric	Code	Unit of Measure	Infomate (Private) Limited	John Keells PLC
Number of Employees by categories;	SV-PS-000.A	Number		
a. Full time Employees			a. 400	a. 43
b. Part Time Employees			b. –	b. –
c. Temporary Employees			c. 211	c. –
d. Contract Employees			d. 37	d. 3
Employee hours worked, percentage billable	SV-PS-000.B	Hours Percentage (%)	1,319,760 90	92,880 N/A

Table 3: Sustainability Disclosure Topics and Metrics - Professional and Commercial Services

Topic	Metric	Code	Unit of Measure	Keells Consultants (Private) Limited	John Keells Holdings PLC
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and orgnisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *For further information on processes and mitigation strategies refer Privacy, Data and Cybersecurity section of the Intellectual Capital Review – page 131.*	
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	N/A	The business units maintain policies and procedures governing the collection, use, storage, disclosure, and retention of customer information in compliance with data protection regulations. Customer information is collected and processed only for legitimate business and regulatory purposes, with appropriate safeguards to ensure confidentiality, integrity, and lawful use of personal data. The business units maintain data retention and secure disposal practices, access controls, employee awareness programmes, and ongoing compliance monitoring to support the reasonable management and protection of customer information. *For further information Privacy, Data and Cybersecurity section of the Intellectual Capital Review – page 131.*	
	Number of data breaches	SV-PS-230a.3	Number	-	-
	Percentage that involve customers' confidential business information		Percentage (%)	-	-
	Percentage that involve . personal data breaches		Percentage (%)	-	-
	Number of customers affected		Number	-	-
	Number of individuals affected		Number	-	-

<table>
<tr><th>Topic</th><th>Metric</th><th>Code</th><th>Unit of Measure</th><th>Keells Consultants (Private) Limited</th><th>John Keells Holdings PLC</th></tr>
<tr><td rowspan="5">Workforce Diversity and Engagement</td><td>Percentage of gender representation for
a. Executive Management
b. Non-executive Management
c. Other</td><td></td><td>Percentage (%)</td><td><table><tr><th></th><th>Male</th><th>Female</th></tr><tr><td>a.</td><td>-</td><td>-</td></tr><tr><td>b.</td><td>38</td><td>63</td></tr><tr><td>c.</td><td>100</td><td>-</td></tr></table></td><td><table><tr><th></th><th>Male</th><th>Female</th></tr><tr><td>a.</td><td>67</td><td>33</td></tr><tr><td>b.</td><td>41</td><td>59</td></tr><tr><td>c.</td><td>-</td><td>-</td></tr></table></td></tr>
<tr><td>Diversity by age group
a. Executive Management
b. Non-executive Management
c. Other</td><td>SV-PS-330a.1</td><td>Percentage (%)</td><td>a.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>-</td></tr><tr><td>>50</td><td>-</td></tr></table>b.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>13</td></tr><tr><td>30-50</td><td>75</td></tr><tr><td>>50</td><td>13</td></tr></table>c.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>25</td></tr><tr><td>>50</td><td>75</td></tr></table></td><td>a.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>69</td></tr><tr><td>>50</td><td>31</td></tr></table>b.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>56</td></tr><tr><td>30-50</td><td>38</td></tr><tr><td>>50</td><td>6</td></tr></table>c.<table><tr><th>Age group</th><th>%</th></tr><tr><td><30</td><td>-</td></tr><tr><td>30-50</td><td>-</td></tr><tr><td>>50</td><td>-</td></tr></table></td></tr>
<tr><td>Voluntary turnover rate for employees</td><td rowspan="2">SV-PS-330a.2</td><td>Percentage (%)</td><td>-</td><td>8</td></tr>
<tr><td>Involuntary turnover rate for employees</td><td>Percentage (%)</td><td>-</td><td>10</td></tr>
<tr><td>Employee engagement as a percentage</td><td rowspan="2"></td><td>Percentage (%)</td><td colspan="2">The Employee engagement survey- EmPulse was conducted during the reporting period, with a group-wide response rate of 79%. However, the levels of engagement as classified by SASB, is currently being worked out.</td></tr>
<tr><td>Description of the method employed</td><td>SV-PS-330a.3</td><td>N/A</td><td colspan="2">The Group partnered with Gallup to conduct EmPulse survey, using the Q12 framework. The approach is designed to be manager-driven, with managers taking ownership of their scorecards and implementing targeted action plans based on their team results.
Refer Employee Engagement and Well-being section of the Human Capital Review for further information – page 104.</td></tr>
<tr><td>Professional Integrity</td><td>Description of approach to ensuring professional integrity</td><td>SV-PS-510a.1</td><td>N/A</td><td colspan="2">Professional integrity is upheld through the Group's Code of Conduct, which operationalises its governance framework and internal policies. The Code of Conduct is embedded in contracts, supported by structured and continual training and communication to all employees, and reinforced by leadership oversight and established compliance mechanisms to ensure employees align by the John Keells Group values. It is periodically updated to reflect evolving regulatory and workplace expectations.
Refer The Code of Conduct for further information – page 343.</td></tr>
<tr><td>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</td><td>SV-PS-510a.2</td><td>Presentation currency (Rs.)</td><td>-</td><td>-</td></tr>
</table>

SLFRS S1 AND S2 DISCLOSURES

Table 3a: Activity Metrics

Activity Metric	Code	Unit of Measure	Keells Consultants (Private) Limited	John Keells Holdings PLC
Number of Employees by categories;	SV-PS-000.A	Number		
a. Full time Employees			a. 16	a. 173
b. Part Time Employees			b. -	b. -
c. Temporary Employees			c. -	c. 14
d. Contract Employees			d. -	d. 57
Employee hours worked,	SV-PS-000.B	Hours	34,560	403,920
percentage billable		percentage (%)	N/A	N/A

CRUNCHING THE NUMBERS

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting the 47th Annual Report of your Company which covers the Audited Financial Statements, Chairperson's Message, Corporate Governance Commentary, Management Discussion and Analysis, including Industry Group Reviews, and all the other relevant information for the year ended 31 March 2026. Disclosures which appear in the Share Information section form an integral part of the Annual Report of the Board of Directors and have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.

The Management is of the opinion that the Company, along with its subsidiaries, associates, and joint ventures, possesses adequate resources to continue operations for the foreseeable future. This assessment is supported by the ongoing implementation of risk mitigation initiatives, consistent monitoring of business continuity and response plans at the business unit level, and the overall financial strength of the Group. The Group's outlook is presented on page 137 of the Annual Report.

FINANCIAL STATEMENTS

Financial Statements of the Company and Group for the year ended 31 March 2026, which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) with the inclusion of the signatures of the Chairperson, Deputy Chairperson/Group Finance Director and Group Financial Controller, are given as a part of the Integrated Annual Report.

John Keells Holdings PLC

For the year ended 31 March **In Rs.'000s**	**2026**	**2025**
Profit After Tax	7,665,704	3,518,343
Other Adjustments	(34,662)	29,460
Balance brought forward from the previous year	104,142,143	103,183,160
Amount available for appropriation	111,773,185	106,730,963
Interim dividends of Rs.0.20 per share (2025-Rs.0.10) paid out of dividend received	(3,538,073)	(1,707,265)
Final dividend declared Rs.0.10 (2025-Rs.0.05)	(1,770,886)	(881,555)
Balance to be carried forward to the next year	106,464,226	104,142,143

PRINCIPAL ACTIVITIES

John Keells Holdings PLC (the Company), the Group's Holding Company, manages a portfolio of holdings consisting of a range of diverse business operations, which, together, constitute the John Keells Group (the Group), and provides function-based services to its subsidiaries, joint ventures and associates.

The companies within the Group and its business activities are described in the Group Directory under the Supplementary Information section of the Annual Report.

There were no significant changes to the principal activities of the Company or its subsidiaries during the year.

CORPORATE VISION AND VALUES

A culture of innovation, integrity, excellence, caring and trust has been developed within the Group. By being aligned with these values, the Directors and employees conduct their activities to achieve the vision, "Building businesses that are leaders in the region".

REVIEW OF BUSINESS SEGMENTS

A review of the financial and operational performance and future business developments of the Group, sectors, and its business units are described in the Management Discussion and Analysis section of the Annual Report. Significant changes to business combinations and acquisition of non-controlling interests are provided in Note 10 to the Financial Statements. These reports, together with the audited financial statements, reflect the state of affairs of the Company and the Group. The segment-wise contribution to Group revenue, results, assets and liabilities are provided in Note 8 to the Financial Statements.

FINANCIAL RESULTS AND APPROPRIATIONS

Accounting Policies

All the material accounting policies adopted by the Company and Group are provided in the Notes to the Financial Statements. There have been no significant changes in the accounting policies adopted by the Group during the year under review. For all periods up to and including the year ended 31 March 2026, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Revenue

Revenue generated by the Company amounted to Rs.3,848 Mn (2025 – Rs.3,180 Mn), whilst Group revenue amounted to Rs.528,851 Mn (2025 – Rs.317,378 Mn). Contribution to Group revenue, from the different business segments, is provided in Note 8 to the Financial Statements.

Profit and Appropriations

The profit after tax of the Company was Rs.7,666 Mn (2025 – Rs.3,518 Mn) whilst the Group profit attributable to equity holders of the parent for the year was Rs.13,640 Mn (2025 - Rs.5,326 Mn).

The Company's total comprehensive income net of tax was Rs.7,010 Mn (2025 - Rs.2,473 Mn), and the Group total comprehensive income attributable to the parent was Rs.17,593 Mn (2025 - Rs.6,231 Mn).

Dividend and Reserves

As required by Section 56(2) of the Companies Act No 7 of 2007, the Board of Directors have confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained certificates from the auditors, prior to declaring all dividends.

A final dividend will be paid on or before 24 June 2026 to those shareholders on the register as of the record date 8 June 2026.

CAPITAL EXPENDITURE

The Company's and Group's additions to property, plant and equipment amounted to Rs.13 Mn (2025 - Rs.24 Mn) and Rs.18,671 Mn (2025 - Rs.47,052 Mn), respectively. All other related information and movements have been disclosed in Note 22 to the Financial Statements.

Additions of intangible assets of the Company and Group during the year amounted to Rs.152 Mn (2025 – Rs.2,780 Mn) and Rs.2,018 Mn (2025 - Rs.10,494 Mn), respectively. All other related movements are disclosed in Note 25 to the Financial Statements.

VALUATION OF LAND, BUILDINGS AND INVESTMENT PROPERTIES

All land and buildings except for the buildings on leasehold land located in the Maldives owned by Group companies were revalued as at 31 December 2025 and the carrying value amounted to Rs.319,125 Mn (2025 - Rs.281,844 Mn). All information related to revaluation is given in Note 22.3 to the Financial Statements.

Investment properties of business units, when significantly occupied by Group companies, are classified as property, plant and equipment in the consolidated financial statements in compliance with LKAS 40.

The Group revalued all its investment properties as at 31 December 2025, and the carrying value amounted to Rs.56,524 Mn (2025 - Rs.31,382 Mn). All information related to revaluation of the investment properties is provided in Note 24 to the Financial Statements.

Details of the Group's real estate portfolio as at 31 March 2026 are disclosed in the Group Real Estate Portfolio within the Supplementary Information section of the Annual Report.

INVESTMENTS

Detailed description of the long term investments held as at the reporting date, is given in Notes 26, 27 and 28 to the Financial Statements.

STATED CAPITAL

Stated Capital as at 31 March 2026 of the Company amounted to Rs.133,798 Mn (2025 - Rs.132,512 Mn). The movement and composition of the Stated Capital is disclosed in the Statement of Changes in Equity and in Note 34.1 to the Financial Statements.

REVENUE RESERVES

Revenue reserves as at 31 March 2026 for the Company and Group amounted to Rs.108,217 Mn (2025 - Rs.105,006 Mn) and Rs.144,884 Mn (2025 - Rs.134,041 Mn), respectively. The movement of the revenue reserve is disclosed in the Statement of Changes in Equity.

SHARE INFORMATION

The distribution and composition of shareholders and the information relating to earnings, dividends, net assets, market value per share and share trading is given in the Share Information section of the Annual Report. As additional disclosures, the Share Information section of the Annual Report includes details of employee share option plans (ESOPs), market capitalisation, public holding percentage, and the number of public shareholders as at 31 March 2026.

MAJOR SHAREHOLDERS

Details of the twenty largest shareholders of the Company and the percentages held by each of them are disclosed in the Share Information section of the Annual Report.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Company has at all times ensured that all shareholders are treated equitably.

THE BOARD OF DIRECTORS

The Board of Directors of the Company as at 31 March 2026 and their brief profiles are given in the Corporate Governance section of the Annual Report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Retirement and Re-Election of Directors of the Company as at 31 March 2026 are detailed below and also included in the Notice of Meeting and Proxy Form.

Members proposed for re-election and contract renewal	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees and other principal commitments	Any other relationships*
Mr. D A Cabraal (Article 84)	Non Independent Non-Executive Director	01.11.2013	30.06.2023	The details are provided in the Board and Management Profiles, Corporate Governance Commentary sections of this Annual Report.	-
Mr. H M A Jayesinghe (Article 84)	Independent Non-Executive Director	01.07.2024	27.06.2025		-
Mr. M K Menon (Sec. 211 of the Companies Act and Section 9.8.3 (ix) of the Listing Rules)	Independent Non-Executive Director	01.07. 2025	-		-

* Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity.

REVIEW OF THE PERFORMANCE OF THE BOARD

The performance of the Board has been appraised through a formalised process, where each individual Director anonymously comments on the dynamics of the Board. The process is described in the Corporate Governance Commentary section of the Annual Report.

BOARD COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee, including reports of each of the Committees, where applicable, and the attendance of Directors for each of the Committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

INTERESTS REGISTER AND INTERESTS IN CONTRACTS

The Company has maintained an Interests Register as contemplated by the Companies Act No 7 of 2007.

This Annual Report also contains particulars of entries made in the Interests Registers of subsidiaries which are public companies or private companies that have not dispensed with the requirement to maintain an Interests Register as permitted by Section 30 of the Companies Act No 7 of 2007.

The Directors have all made general disclosures relating to share dealings and indemnities and remuneration to the Board of Directors as permitted by Section 192 (2) of the Companies Act No 7 of 2007 and no additional interests have been disclosed by any Director. The Interest Register is available at the registered head office of the Company, in keeping with the requirements of section 119 (1) (d) of the Companies Act No 7 of 2007.

SHARE DEALINGS

Other than for the following entries, particulars of the Company interest register are disclosed in the Share Information section of the Annual Report.

John Keells Holdings PLC
- K N J Balendra (Director) - Purchase of 9,697,870 shares
- J G A Cooray (Director) - Purchase of 4,310,164 shares
- J G A Cooray (Director) - Sale of 2,000,000 shares

Given below are the particulars of share dealings of subsidiaries reported, for subsidiaries which are public companies, or private companies, which have not dispensed with the requirement to maintain an interest register for the period from 1 April 2025 to 31 March 2026.

Trans Asia Hotels PLC
- N L Gooneratne (Director) – Sale of 95,131 shares

INDEMNITIES AND REMUNERATION

The Board approved the payment of remuneration of the following Executive Directors for the period from 1 April 2025 to 31 March 2026 comprising of;

- A fixed element
- A short term variable incentive based on the individual performance, organisation performance and role responsibility based on the results of the financial year 2024/2025, and
- A long term incentive plan including employee share options in John Keells Holdings PLC.

John Keells Holdings PLC
- K N J Balendra
- J G A Cooray

Ceylon Cold Stores PLC
- D P Gamlath
- P N Fernando

Cinnamon Hotel Management Limited
- M H Singhawansa

Walkers Tours Limited
- I N Amaratunga

Union Assurance PLC
- S A J S W Jayatilake (appointed w.e.f 23 February 2026)

All approvals relating to indemnities and remuneration have been recommended by the Human Resources and Compensation Committee, taking into consideration inputs from market surveys, expert opinions and the specific management complexities associated with the John Keells Group and in keeping with the Group remuneration policy.

The contracts and standard director fees of the following Non-Executive Directors have been approved / renewed by the Board. The directors' fees are commensurate with the market complexities associated with the Group.

John Keells Holdings PLC
- S S H Wijayasuriya
- D A Cabraal
- S A Coorey
- M K Menon (appointed w.e.f 1 July 2025)

John Keells PLC
- N A S Akuratiyagama (appointed w.e.f 25 June 2025)
- P T Wanigasekara (appointed w.e.f 1 July 2025)

John Keells Hotels PLC
- H Premaratne
- K Gunasekera

Keells Food Products PLC
- A Nanayakkara (appointed w.e.f 2 May 2025)
- K C S Fernando (appointed w.e.f 2 May 2025)
- M M J W Jayasekara (appointed w.e.f 15 May 2025)

Asian Hotels & Properties PLC
- S A Atukorale
- N L Gooneratne

Union Assurance PLC
- P T Wanigasekara
- C M L D Bandaranaike (appointed w.e.f 28 April 2025)

Fees payable to nominees of John Keells Holdings PLC appointed to the subsidiary public listed companies was paid to John Keells Holdings PLC and not to the individual Directors.

During the 2025/2026 financial year,
N N Mawilmada was appointed as Non-Independent Non-Executive Director to the following Boards with effect from 8 September 2025.

- Asian Hotels & Properties PLC
- John Keells Hotels PLC
- Trans Asia Hotels PLC

M H Singhawansa was appointed as Non-Independent Non-Executive Director to the following Boards with effect from 6 January 2026.

- Asian Hotels & Properties PLC
- Trans Asia Hotels PLC

M R Svensson, Non-Independent Non-Executive Director, stepped down from the following Boards, consequent to the completion of his contract from the John Keells Group on 31 August 2025.

- Asian Hotels & Properties PLC
- John Keells Hotels PLC
- Trans Asia Hotels PLC

S Rajendra, Non-Independent Non-Executive Director, stepped down from the following Boards, consequent to his retirement from the John Keells Group on 31 December 2025.

- Asian Hotels & Properties PLC
- John Keells Hotels PLC
- Trans Asia Hotels PLC
- Union Assurance PLC

S T Ratwatte, Independent Non-Executive Director, retired from the Board of Ceylon Cold Stores PLC with effect from 20 June 2025 and had a relevant interest in 40,000 shares of the company.

R S Wilson Wijeratnam, Independent Non-Executive Director, retired from the Board of Ceylon Cold Stores PLC with effect from 20 June 2025.

A K Gunawardhana, B A I Rajakarier and C N Wijewardene, Independent Non-Executive Directors, retired from the Board of John Keells PLC with effect from 25 June 2025.

A K Moonesinghe, Independent Non-Executive Director, resigned from the Board of John Keells Hotels PLC with effect from 1 April 2025.

S De Silva, I Samarajiva and P D Samarasinghe, Independent Non-Executive Directors retired from the Board of Keells Food Products PLC with effect from 20 June 2025.

DIRECTORS' REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in Note 43.7 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 43 to the Financial Statements, have complied with the Colombo Stock Exchange Listing Rule 9.14 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

EMPLOYEE SHARE OPTION PLAN (ESOP)

At the beginning of the year, the employee share option plan consisted of the Tenth and Eleventh plans approved by the shareholders on 28 June 2019 and 24 June 2022, respectively. ESOP Plan twelve was approved by the shareholders on 27 June 2025.

The Directors confirm that the Company has implemented the employee share option scheme in accordance with the Listing Rules of the Colombo Stock Exchange and in line with shareholder approval. The process adopted by the Group for the recognition and measurement of share-based payment transactions, as well as the implementation of the plans in accordance with the rules set out in the plan and the specific resolution passed at the General Meeting, also forms part of the Auditor's review process.

Further, the Directors confirm that the Company has not granted any funding to employees to exercise options. Details of the options granted, options exercised, the grant price and the options cancelled or lapsed and outstanding as at the date of the Directors' Report, as required by the Listing Rules of the Colombo Stock Exchange, are given in the Share Information section of the Annual Report.

The highest, lowest and the closing prices of the Company shares are disclosed in the Share Information section of the Annual Report.

EMPLOYMENT

The Group adopts an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. Employee ownership in the Company is facilitated through the employee share option plan.

Details of the Group's human resource initiatives are detailed in the Human Capital section of the Capital Management Review section of the Annual Report.

The number of persons employed by the Company and Group as at 31 March 2026 was 170 (2025 - 159) and 18,568 (2025 - 18,342), respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

EQUITY & INCLUSION POLICY

The Group recognises the importance of diversity, equity and inclusion and the role it plays in ensuring workplace respect, organisational success and sustainability for all stakeholders. In this regard, it is committed to providing a working environment where all employees are

included, their diversity is embraced and where their contributions are valued. The Group believes that its workforce should reflect the diversity of the communities in which its businesses operate and the diverse set of stakeholders it creates value for, within the organisation and with its partners and vendors, and that positive relationships with stakeholder groups, which are also diverse and inclusive, will enable businesses to augment its diversity and growth journey.

The Group recognises that organisations that constitute diverse and inclusive workforces are best placed to innovate, retain talent and deliver better overall results and firmly believes that the highest potential can be achieved through bringing together diverse perspectives and backgrounds. It is committed to advancing a culture of equitable inclusion amongst its workforce and value chain and ensuring that the dignity and diversity of all employees and value chain partners are respected.

SUPPLIER POLICY

The Group applies an overall policy of agreeing and clearly communicating the terms of payment as part of the commercial agreements negotiated with suppliers, and endeavours to pay for all items in accordance with these agreed terms. As at 31 March 2026, the trade and other payables of the Company and Group amounted to Rs.882 Mn (2025 - Rs.538 Mn) and Rs.67,833 Mn (2025 - Rs.66,727 Mn), respectively.

The Group strives to integrate principles of sustainable practices and policies in its value chain through extensive stakeholder consultations, the findings of which are integrated into work-plans.

RATIOS AND MARKET PRICE INFORMATION

The ratios relating to listed equity, debt and market price information as required by the listing requirements of the Colombo Stock Exchange, are given under the Share Information section of this Report.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance Framework by effectively implementing systems and structures required to ensure best practices in Corporate Governance. The manner in which the Company has complied with Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance are given in the Corporate Governance section of this Report.

SUSTAINABILITY

The Group pursues its business goals based on a model of stakeholder governance. Findings of the continuous internal stakeholder engagements have enabled the Group to focus on material issues such as the conservation of natural resources and the environment as well as material issues highlighted by other stakeholders such as employees, customers, suppliers and the community. These steps have been encapsulated in a Group-wide strategy focused on sustainable development which continuously evolves based on the above mentioned stakeholder engagements.

This is the Group's 11th Integrated Annual Report, which presents a comprehensive discussion on its financial and non-financial performance in a bid to provide its stakeholders with holistic information relating to its value creation proposition through the six forms of capital reported under the International Framework. The Group has sought independent third-party assurance from DNV, represented in India by DNV Business Assurance India (Private) Limited, in relation to the non-financial information contained in this report.

Following the comprehensive gap analysis conducted in the prior year, the Group has adopted SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures. These local standards materially converged with the International Financial Reporting Standards (IFRS) S1 and S2 as issued by International Sustainability Standard Board (ISSB).
In compliance with the CSE reporting requirements for 2025/26, relevant disclosures are included in SLFRS S1 and S2 Disclosures section of this report.

RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to developing intellectual property and the Group's operations. Significant expenditure has taken place over the years and substantial efforts will continue to be made to develop intellectual property rights, new products and processes and improve the operational efficiency of existing products and processes.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavours to comply with best practices applicable in the country of operation.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

John Keells Foundation, which is funded by JKH and its subsidiaries, handles most of the Group's CSR initiatives and activities. The Foundation manages a range of programmes that underpin its key principle of acting responsibly towards its stakeholders and to bring about sustainable development in the focus areas. The CSR initiatives, including completed and on-going projects, are detailed in the Group Consolidated Review section in the Annual Report.

In quantifying the Group's contribution to CSR initiatives and activities, no account has been taken of in-house costs or management time.

DONATIONS

Total donations made by the Company and the Group during the year amounted to Nil (2025 - Nil) and Rs.272 Mn (2025 - Rs.64 Mn), respectively. These amounts do not include contributions on account of corporate social responsibility (CSR) initiatives.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of, and in respect of, the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the statement of financial position date have been paid or, where relevant, provided for, except as specified in Note 44 to the Financial Statements covering contingent liabilities.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the knowledge and belief of the Directors, the Company and the Group has not engaged in any activity which contravenes laws and regulations of the country.

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risk faced by the Group, where quarterly risk reviews are conducted by the Enterprise Risk Management division with the Group Executive Committee. In addition, each business unit carries out quarterly reviews of its specific risk with one review per year conducted jointly with the Enterprise Risk Management division to ensure alignment. The headline risks of each listed Company are presented by the Business Unit to its respective Audit Committee, as applicable, for review and in the case of John Keells Holdings PLC, by the Enterprise Risk Management division to the John Keells Holdings PLC Audit Committee.

The Corporate Governance section of this Report elaborates on these practices and the Group's risk factors.

INTERNAL CONTROLS AND ASSURANCE

The Board, through the involvement of the Group Business Process Review division, takes steps to gain assurance on the effectiveness over the financial, operational and risk management control systems in place. The Audit Committee receives regular reports on the adequacy and effectiveness of internal controls in the Group, compliance with laws and regulations and established policies and procedures of the Group. The head of the Group Business Process Review division has direct access to the Chairperson of the Audit Committee. Reports of the outsourced internal auditors are also reviewed by the Committee.

EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting period, which would have any material effect on the Company or on the Group other than those disclosed in Note 47 to the Financial Statements.

GOING CONCERN

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Groups' ability to continue to operate as a going concern. The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

APPOINTMENT AND REMUNERATION OF INDEPENDENT AUDITORS

Messrs. Ernst & Young, Chartered Accountants, are willing to continue as Auditors of the Company, and a resolution proposing their reappointment will be tabled at the Annual General Meeting.

The Independent Auditors' Report is found in the Financial Statements section of the Annual Report. The Audit Committee reviews the appointment of the Auditor, effectiveness, independence and relationship with the Group, including the level of audit and non-audit fees paid to the Auditor.

The Group works with two firms of Chartered Accountants across the Group, namely, Ernst & Young and KPMG. Details of audit fees are set out in Note 18 to the Financial Statements. The Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

INTEGRATED ANNUAL REPORT

The Board of Directors approved the consolidated financial statements on 26 May 2026. The requisite number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

ANNUAL GENERAL MEETING

The Notice of Meeting of the Annual General Meeting appears in the Supplementary Information section of the Annual Report.

This Annual Report is signed for and on behalf of the Board of Directors.

By Order of the Board

Director

Director

Keells Consultants (Pvt) Ltd
Secretaries
26 May 2026

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors in relation to the financial statements is set out in the following statement. The responsibility of the auditors, in relation to the financial statements prepared in accordance with the provision of the Companies Act No. 7 of 2007, is set out in the Report of the Auditors.

The financial statements comprise of:

- income statement and statement of comprehensive income of the Company and its subsidiaries, which present a true and fair view of the financial performance of the Company and its subsidiaries for the financial year; and
- a statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year: and

The Directors are required to confirm that the financial statements:

have been prepared:

- using appropriate accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained; and

are

- presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS); and that reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- provide the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are also required to ensure that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and of the Group.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered being appropriate to enable them to give their audit opinion.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the auditors, prior to declaring all dividend. A final dividend will be paid on or before 24 June 2026 to those shareholders on the register as of the record date 8 June 2026.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid, or where relevant provided for, except as specified in Note 44 to the Financial Statements covering contingent liabilities.

By order of the Board



Keells Consultants (Pvt) Ltd
Secretaries
26 May 2026

INDEPENDENT AUDITORS' REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

To the Shareholders of John Keells Holdings PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of John Keells Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of Land and Buildings Property, Plant and Equipment and Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group. This was a key audit matter due to: • The materiality of the reported fair value of land and buildings which amounted to Rs.376 Bn representing 40% of the Group's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach, income approach and depreciated replacement cost approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 22 and 24 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuers engaged by the Group. • Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property We also assessed the adequacy of the disclosures made in Notes 22 and 24 to the financial statements.

Key audit matter	How our audit addressed the key audit matter
• Estimate of per perch value of the land • Estimate of the per square foot value of the buildings • Market rent per square foot, occupancy rates and yield.	
Life insurance contract liabilities Life Insurance Contract Liabilities amounting to Rs.98 Bn represent 20% of total liabilities of the Group as at 31 March 2026 and are determined based on an actuarial valuation as described in Note 36 to the financial statements. This was a key audit matter due to: • Materiality of the reported Life Insurance Contract Liabilities. • The degree of assumptions, judgements and estimation uncertainties associated with the actuarial valuation of Life Insurance Contract Liabilities and Liability Adequacy Test carried out to determine the adequacy of the carrying value of Life Insurance Contract Liabilities. Key assumptions used in the valuation of the Life Insurance Contract Liabilities included the mortality rate, morbidity rate, lapses ratio and surrenders rates, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in Note 36 to the financial statements.	To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included the following: • Assessed the competence, capability and objectivity of the management specialist engaged by the Group. • Obtained an understanding of the liability valuation process. • Checked the completeness and accuracy of the data used in the valuation of Life Insurance Contract Liabilities by agreeing key information to source documents and accounting records. • Involved specialists to assess the reasonableness of the assumptions and appropriateness of the methods used in the actuarial valuations of Life Insurance Contract Liability and Liability Adequacy Test with reference to market data and policyholders experience. We assessed the adequacy of the disclosures in Note 36 to the financial statements
Interest Bearing Loans and Borrowings As of the reporting date, the Group reported total interest-bearing loans and borrowings of Rs.139 Bn, of which Rs.31 Bn is reported as current liabilities and the balance Rs.108 Bn as non-current liabilities. Interest bearing loans and borrowings was a key audit matter due to • The materiality of the reported interest-bearing loans and borrowings balance which represents 28% of the Group's total liabilities as of the reporting date; and • The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements.	Our audit procedures included the following key procedures: • Evaluated the design of relevant key controls implemented for recording of loans and borrowings, monitoring, evaluating and timely reporting of covenant compliances in relation to interest bearing loans and borrowings • Obtained an understanding of the terms and conditions attached to loans and borrowings, by perusing the loan agreements. • Reviewed the Management's statements of compliance with loan covenants and timely reporting and monitoring of covenant compliances in relation to interest bearing loans and borrowings and payment of the loan installments. • Obtained confirmations from financial institutions on outstanding loans and borrowings as at 31 March 2026 We assessed the adequacy and appropriateness of the disclosures made in Note 37 relating to interest bearing loans and borrowings

Other information included in the Group's 2025/2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditors' report is 2097.



26 May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INCOME STATEMENT

For the year ended 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Continuing operations					
Revenue from contracts with customers		503,938,282	296,429,366	3,847,701	3,180,195
Revenue from insurance contracts		24,912,411	20,948,360	-	-
Total revenue	14	**528,850,693**	**317,377,726**	**3,847,701**	**3,180,195**
Cost of sales		(424,553,622)	(253,847,025)	(2,149,392)	(1,915,569)
Gross profit		**104,297,071**	**63,530,701**	**1,698,309**	**1,264,626**
Dividend income	15	-	-	13,847,203	10,696,939
Other operating income	16.1	7,946,798	4,076,728	452,039	133,271
Selling and distribution expenses		(14,933,914)	(13,055,674)	-	-
Administrative expenses		(44,038,536)	(32,023,292)	(4,386,447)	(2,674,237)
Other operating expenses	16.2	(10,228,928)	(8,304,824)	(130,247)	(395,626)
Results from operating activities		**43,042,491**	**14,223,639**	**11,480,857**	**9,024,973**
Finance cost	17	(24,935,300)	(18,442,648)	(8,854,300)	(10,160,130)
Finance income	17	20,728,988	20,610,716	5,149,961	4,806,621
Change in insurance contract liabilities	36.2	(15,429,588)	(13,246,086)	-	-
Change in fair value of investment properties	24	2,299,828	956,762	-	-
Share of results of equity accounted investees (net of tax)	27.3	11,981,197	10,778,954	-	-
Profit before tax	18	**37,687,616**	**14,881,337**	**7,776,518**	**3,671,464**
Tax expense	21.1	(15,606,108)	(7,957,073)	(110,814)	(153,121)
Profit for the year		**22,081,508**	**6,924,264**	**7,665,704**	**3,518,343**
Attributable to:					
Equity holders of the parent		13,639,565	5,326,374		
Non-controlling interests		8,441,943	1,597,890		
		22,081,508	**6,924,264**		
		Rs.	Rs.		
Earnings per share					
Basic	19.1	0.77	0.32		
Diluted	19.2	0.77	0.32		
Dividend per share	20	0.25	0.60		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Profit for the year		22,081,508	6,924,264	7,665,704	3,518,343
Other comprehensive income					
Other comprehensive income to be reclassified to Income Statement in subsequent periods					
Currency translation of foreign operations		1,085,907	(264,227)	-	-
Net loss on cash flow hedges		(616,751)	(1,066,578)	(616,751)	(1,066,578)
Net loss on financial instruments at fair value through other comprehensive income		(1,099,894)	(167,045)	-	-
Share of other comprehensive income of equity accounted investees (net of tax)		909,471	451,325	-	-
Net other comprehensive income to be reclassified to Income Statement in subsequent periods		**278,733**	**(1,046,525)**	**(616,751)**	**(1,066,578)**
Other comprehensive income not to be reclassified to Income Statement in subsequent periods					
Net loss on equity instruments at fair value through other comprehensive income		(3,751)	(8,477)	(3,850)	(8,485)
Gain on disposal of equity instruments at fair value through other comprehensive income		-	15,822	-	-
Revaluation of land and buildings	22.1	5,839,756	2,840,491	-	-
Remeasurement gain / (loss) on defined benefit plans	38.1	(560,951)	460,095	(34,662)	29,460
Share of other comprehensive income of equity accounted investees (net of tax)		56,681	(38,703)	-	-
Net other comprehensive income not to be reclassified to Income Statement in subsequent periods		**5,331,735**	**3,269,228**	**(38,512)**	**20,975**
Tax on other comprehensive income	21.2	(1,130,700)	(958,799)	-	-
Other comprehensive income for the period, net of tax		4,479,768	1,263,904	(655,263)	(1,045,603)
Total comprehensive income for the period, net of tax		**26,561,276**	**8,188,168**	**7,010,441**	**2,472,740**
Attributable to :					
Equity holders of the parent		17,593,140	6,231,480		
Non-controlling interests		8,968,136	1,956,688		
		26,561,276	**8,188,168**		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March		GROUP		COMPANY	
In Rs.'000s	Note	2026	2025	2026	2025
ASSETS					
Non-current assets					
Property, plant and equipment	22	404,056,825	419,297,617	66,243	96,878
Right- of - use assets	23.1.1	53,869,644	49,279,684	91,393	106,839
Investment properties	24	56,524,341	31,382,118	-	-
Intangible assets	25	16,340,151	15,845,337	2,643,861	2,776,647
Investments in subsidiaries	26	-	-	265,514,282	245,371,532
Investments in equity accounted investees	27	66,821,132	61,755,491	28,774,251	28,821,438
Non-current financial assets	28	93,088,803	76,584,128	1,799,116	2,383,102
Deferred tax assets	21.4	1,761,110	1,476,180	-	-
Other non-current assets	29	1,993,637	2,985,268	94,689	106,285
		694,455,643	658,605,823	298,983,835	279,662,721
Current assets					
Inventories	30	58,346,454	38,710,499	-	-
Trade and other receivables	31	45,494,063	31,807,731	478,313	711,855
Amounts due from related parties	43.1	617,166	580,135	918,741	840,848
Other current assets	32	15,830,985	10,656,409	1,045,701	736,562
Short term investments	33	93,942,989	90,411,476	58,006,522	61,799,205
Cash in hand and at bank		20,436,001	15,146,008	475,166	495,140
		234,667,658	187,312,258	60,924,443	64,583,610
Total assets		929,123,301	845,918,081	359,908,278	344,246,331
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	34.1	133,797,594	132,511,513	133,797,594	132,511,513
Revenue reserves		144,883,736	134,040,852	108,217,053	105,005,639
Other components of equity	34.2	136,083,569	132,526,062	5,241,423	5,631,139
		414,764,899	399,078,427	247,256,070	243,148,291
Non-controlling interest		24,940,636	19,724,281	-	-
Total equity		439,705,535	418,802,708	247,256,070	243,148,291
Non-current liabilities					
Insurance contract liabilities	36	97,852,343	82,555,004	-	-
Interest-bearing loans and borrowings	37.1	108,270,984	137,120,024	52,457,619	72,926,884
Lease liabilities	23.1.2	31,485,966	27,399,695	89,988	101,101
Deferred tax liabilities	21.4	24,309,095	23,204,978	3,092,459	2,988,277
Employee benefit liabilities	38	4,344,911	3,463,465	368,029	330,819
Other non-current liabilities	39	317,289	720,699	-	-
		266,580,588	274,463,865	56,008,095	76,347,081
Current liabilities					
Trade and other payables	40	67,832,657	66,727,203	882,256	538,055
Amounts due to related parties	43.2	788,691	541,657	71,772	96,333
Income tax liabilities	21.3	5,358,791	1,976,863	258,214	258,214
Short term borrowings	41	54,863,125	15,518,937	25,128,574	4,100,000
Interest-bearing loans and borrowings	37.1	30,893,500	26,673,221	13,612,974	14,514,447
Lease liabilities	23.1.2	3,431,084	2,632,051	11,113	8,038
Other current liabilities	42	15,615,464	7,482,902	33,093	22,709
Bank overdrafts		44,053,866	31,098,674	16,646,117	5,213,163
		222,837,178	152,651,508	56,644,113	24,750,959
Total equity and liabilities		929,123,301	845,918,081	359,908,278	344,246,331

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

K M Thanthirige
Group Financial Controller

The Board of Directors is responsible for these financial statements.

K N J Balendra
Chairperson

J G A Cooray
Deputy Chairperson/Group Finance Director

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

26 May 2026
Colombo

STATEMENT OF CASH FLOWS

For the year ended 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
OPERATING ACTIVITIES					
Profit / (loss) before working capital changes	A	46,405,270	15,733,252	(2,145,613)	(1,122,570)
(Increase) / Decrease in inventories		(11,331,857)	782,666	-	-
(Increase) / Decrease in trade and other receivables		(14,412,586)	(3,546,278)	164,660	173,880
(Increase) / Decrease in other current assets		(3,375,578)	(2,935,418)	(345,257)	(308,969)
Increase / (Decrease) in other non-current financial liabilities		-	(1,185,728)	-	-
Increase / (Decrease) in trade and other payables and other non-current liabilities		1,374,337	24,506,756	319,640	(918,386)
Increase / (Decrease) in other current liabilities		3,826,759	814,451	10,385	1,268
Increase / (Decrease) in insurance contract liabilities		15,297,339	13,044,137	-	-
Cash generated from operations		**37,783,684**	**47,213,838**	**(1,996,185)**	**(2,174,777)**
Finance income received		18,027,902	18,117,047	3,984,336	4,724,038
Finance costs paid		(23,101,109)	(21,943,058)	(8,953,812)	(8,665,069)
Dividend received		4,587,658	4,196,831	13,624,391	10,492,614
Tax paid		(11,063,104)	(5,717,342)	(7,129)	(6,843)
Gratuity paid		(378,408)	(405,001)	(60,936)	(32,190)
Net cash flows from operating activities		**25,856,623**	**41,462,315**	**6,590,665**	**4,337,773**
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment		(17,606,777)	(42,167,794)	(13,066)	(23,608)
Purchase of intangible assets		(2,018,061)	(7,723,511)	(152,049)	(9,539)
Proceeds from sale of subsidiaries	B	3,384,157	-	384,218	-
Acquisition of a subsidiary		(45,000)	-	-	-
Changes in business combination		2,924,950	-	-	-
Proceeds from disposal of equity accounted investees	10.2	2,638,080	-	-	-
Additions to investment properties	24	(2,313)	(22,428)	-	-
Increase in interest in subsidiaries		-	-	(19,583,040)	(27,436,040)
Additions to other non-current assets		(1,642,493)	(94,157)	-	-
Increase in interest in equity accounted investees		(1,193)	(7,475,566)	-	(7,076,021)
Proceeds from sale of property, plant and equipment and intangible assets		371,399	333,643	30,786	899
Proceeds from sale of investment properties		-	1,249,350	-	-
Proceeds from sale of financial instruments - fair value through profit or loss		8,879,384	4,456,555	-	-
Purchase of financial instruments - fair value through profit or loss		(8,734,965)	(5,574,095)	-	-
(Purchase) / disposal of deposits and government securities (net)		(11,514,124)	(11,061,878)	5,971,608	(1,366,827)
(Purchase) / disposal of other non current financial assets (net)		(110,987)	(305,248)	-	-
Net cash flows used in investing activities		**(23,477,943)**	**(68,385,129)**	**(13,361,543)**	**(35,911,136)**
FINANCING ACTIVITIES					
Proceeds from issue of shares		998,984	24,777,360	998,984	24,777,360
Direct cost on issue of shares		-	(18,271)	-	(18,271)
Changes in non-controlling interest		(292)	(97,886)	-	-
Dividend paid to equity holders of parent		(4,419,628)	(2,457,083)	(4,419,628)	(2,457,083)
Dividend paid to shareholders with non-controlling interest		(1,453,983)	(1,099,388)	-	-
Proceeds from long term borrowings	37.1	6,731,395	36,031,878	-	31,800,000
Repayment of long term borrowings	37.1	(37,754,318)	(20,424,540)	(24,104,605)	(6,320,800)
Payment of principal portion of lease liabilities		(2,848,036)	(2,661,024)	(8,038)	(6,961)
Proceeds from / (repayment of) short term borrowings (net)		32,870,647	(5,563,221)	21,028,574	(9,809,261)
Net cash flows from / (used in) financing activities		**(5,875,231)**	**28,487,825**	**(6,504,713)**	**37,964,984**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,496,551)	1,565,011	(13,275,591)	6,391,621
CASH AND CASH EQUIVALENTS AT THE BEGINNING		11,504,657	9,939,646	15,449,266	9,057,645
CASH AND CASH EQUIVALENTS AT THE END		**8,008,106**	**11,504,657**	**2,173,675**	**15,449,266**
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Short term investments (less than 3 months)	33	31,625,971	27,457,323	18,344,626	20,167,289
Cash in hand and at bank		20,436,001	15,146,008	475,166	495,140
Unfavourable balances					
Bank overdrafts		(44,053,866)	(31,098,674)	(16,646,117)	(5,213,163)
Total cash and cash equivalents		**8,008,106**	**11,504,657**	**2,173,675**	**15,449,266**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

For the year ended 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
A Profit before working capital changes					
Profit before tax		37,687,616	14,881,337	7,776,518	3,671,464
Adjustments for:					
Finance income	17	(20,728,988)	(20,610,716)	(5,149,961)	(4,806,621)
Dividend income	15	-	-	(13,847,203)	(10,696,939)
Finance costs	17	24,935,300	18,442,648	8,854,300	10,160,130
Share-based payment expense	35	517,982	416,388	157,367	120,786
Change in fair value of investment properties	24	(2,299,828)	(956,762)	-	-
Share of results of equity accounted investees	27.3	(11,981,197)	(10,778,954)	-	-
Profit on sale of subsidiaries	16.1	(1,263,879)	-	(317,409)	-
Profit on disposal of equity accounted investee	16.1	(273,264)	-	-	-
Depreciation of property, plant and equipment	22.1,22.2	13,495,442	9,024,428	35,010	43,440
Provision and impairment losses	16.2	-	-	4,094	265,977
(Profit) / loss on sale of property, plant and equipment and intangible assets		52,745	(210,797)	(22,094)	(23)
Profit on sale of investment properties		-	(133,454)	-	-
Amortisation of right- of - use assets	23.1	4,205,695	3,825,874	15,446	15,447
Amortisation of intangible assets	25.1	1,634,004	1,227,761	284,835	38,226
Fair value loss of intangible assets	25.1	-	12,000	-	-
Employee benefit provision and related costs	38	784,591	737,778	63,484	65,543
Unrealised gain on foreign exchange (net)		(360,949)	(144,279)	-	-
		46,405,270	15,733,252	(2,145,613)	(1,122,570)

B. Divestment of Subsidiaries

Tea Smallholders Factories PLC (TSHF)

On 3 April 2025, the Company divested the totality of its 37.62% equity stake in TSHF comprising of 11,286,000 ordinary shares, at a price of Rs.35 per share, for a total consideration of Rs.395 Mn. The Group recorded a loss of Rs.259 Mn, at a consolidated level.

Kandy Walk Inn Limited (KWIL)

On 31 March 2026, John Keells Hotels PLC, a subsidiary of John Keells Group, divested the totality of its 98.39% equity stake in KWIL for a consideration of Rs.2,777 Mn. The Group recorded a pre-tax gain of Rs.1,523 Mn, at a consolidated level.

The fair value of assets and liabilities disposed were as follows

In Rs.'000	Tea Smallholders Factories PLC (TSHF)	Kandy Walk Inn Limited (KWIL)
Assets		
Cash in hand and at bank	4,641	20,979
Short term investment	-	17,348
Income tax recoverable	6,095	-
Other current assets	11,152	16,332
Trade and other receivables	74,138	79,374
Inventories	410,065	37,361
Other non-current assets	5,553	-
Other non-current financial assets	3,205	-
Intangible assets	7,303	10,535
Investment properties	813,202	-
Right of use assets	1,954	7,914
Property, plant and equipment	976,458	2,269,948
Liabilities		
Bank overdrafts	(20,612)	(250,649)
Other current liabilities	(4,816)	(18,027)
Amounts due to related parties	(6,106)	(21,193)
Trade and other payables	(205,883)	(79,960)
Other non-current liabilities	(387)	(6,160)
Employee benefit liabilities	(38,912)	(49,644)
Deferred tax liabilities	(324,214)	(506,680)
Total identifiable net assets at fair value	1,712,836	1,527,478
Goodwill	-	23,150
Non-controlling interest	(1,068,467)	(320,360)
Group share of the net assets disposed	644,369	1,230,268
Profit / (loss) on disposal	(258,920)	1,522,799
Sales consideration (net of transaction cost)	385,449	2,753,067
Cash and cash equivalent disposed	15,971	229,670
Net cash inflow on disposal of non-current investments	401,420	2,982,737

STATEMENT OF CHANGES IN EQUITY

	COMPANY					
In Rs.'000s	Stated capital	Other capital reserve	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total equity
As at 1 April 2024	90,602,453	8,495,016	3,294,625	15,147	103,933,190	206,340,431
Profit for the year	-	-	-	-	3,518,343	3,518,343
Other comprehensive income	-	-	(1,066,578)	(8,485)	29,460	(1,045,603)
Total comprehensive income	-	-	(1,066,578)	(8,485)	3,547,803	2,472,740
Issue of rights	24,042,175	-	-	-	-	24,042,175
Direct cost on issue of rights	-	-	-	-	(18,271)	(18,271)
Exercise of share options	735,185	-	-	-	-	735,185
Conversion of convertible debentures	16,570,170	(4,953,444)	-	-	-	11,616,726
Share based payments	561,530	(145,142)	-	-	-	416,388
Final dividend paid - 2023/24	-	-	-	-	(749,818)	(749,818)
Interim dividends paid - 2024/25	-	-	-	-	(1,707,265)	(1,707,265)
As at 31 March 2025	132,511,513	3,396,430	2,228,047	6,662	105,005,639	243,148,291
As at 1 April 2025	132,511,513	3,396,430	2,228,047	6,662	105,005,639	243,148,291
Profit for the year	-	-	-	-	7,665,704	7,665,704
Other comprehensive income	-	-	(616,751)	(3,850)	(34,662)	(655,263)
Total comprehensive income	-	-	(616,751)	(3,850)	7,631,042	7,010,441
Exercise of share options	998,984	-	-	-	-	998,984
Share based payments	287,097	230,885	-	-	-	517,982
Final dividend paid - 2024/25	-	-	-	-	(881,555)	(881,555)
Interim dividends paid - 2025/26	-	-	-	-	(3,538,073)	(3,538,073)
As at 31 March 2026	133,797,594	3,627,315	1,611,296	2,812	108,217,053	247,256,070

* FVOCI - Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

In Rs.'000s	Attributable to equity holders of the parent									GROUP	
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other capital reserve	Fair value reserve of financial assets at FVOCI*	Revenue reserve	Total	Non-controlling interests	Total equity
As at 1 April 2024	90,602,453	3,626,604	43,808,213	71,649,151	3,294,625	8,495,016	5,579,169	130,812,080	357,867,311	19,609,383	377,476,694
Profit for the year	-	-	-	-	-	-	-	5,326,374	5,326,374	1,597,890	6,924,264
Other comprehensive income	-	-	1,631,952	(534,765)	(1,066,578)	-	611,520	262,977	905,106	358,798	1,263,904
Total comprehensive income	-	-	1,631,952	(534,765)	(1,066,578)	-	611,520	5,589,351	6,231,480	1,956,688	8,188,168
Issue of rights	24,042,175	-	-	-	-	-	-	-	24,042,175	-	24,042,175
Direct cost on issue of rights	-	-	-	-	-	-	-	(18,271)	(18,271)	-	(18,271)
Exercise of share options	735,185	-	-	-	-	-	-	-	735,185	-	735,185
Conversion of convertible debentures	16,570,170	-	-	-	-	(4,953,444)	-	-	11,616,726	-	11,616,726
Share based payments	561,530	-	-	-	-	(145,142)	-	-	416,388	-	416,388
Changes in restricted regulatory reserves	-	592,894	-	-	-	-	-	(592,894)	-	-	-
Transfer from revaluation reserves to retained earnings	-	-	(37,191)	-	-	-	-	37,191	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	(25,962)	25,962	-	-	-
Final dividend paid - 2023 /24	-	-	-	-	-	-	-	(749,818)	(749,818)	-	(749,818)
Interim dividends paid - 2024/25	-	-	-	-	-	-	-	(1,707,265)	(1,707,265)	-	(1,707,265)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	644,516	644,516	(1,743,904)	(1,099,388)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(97,886)	(97,886)
As at 31 March 2025	132,511,513	4,219,498	45,402,974	71,114,386	2,228,047	3,396,430	6,164,727	134,040,852	399,078,427	19,724,281	418,802,708
As at 1 April 2025	132,511,513	4,219,498	45,402,974	71,114,386	2,228,047	3,396,430	6,164,727	134,040,852	399,078,427	19,724,281	418,802,708
Profit for the year	-	-	-	-	-	-	-	13,639,565	13,639,565	8,441,943	22,081,508
Other comprehensive income	-	-	4,101,317	2,583,944	(616,751)	-	(1,798,594)	(316,341)	3,953,575	526,193	4,479,768
Total comprehensive income	-	-	4,101,317	2,583,944	(616,751)	-	(1,798,594)	13,323,224	17,593,140	8,968,136	26,561,276
Exercise of share options	998,984	-	-	-	-	-	-	-	998,984	-	998,984
Share based payments	287,097	-	-	-	-	230,885	-	-	517,982	-	517,982
Changes in restricted regulatory reserves	-	307,268	-	-	-	-	-	(307,268)	-	-	-
Disposal of subsidiaries	-	-	(1,250,562)	-	-	-	-	1,250,562	-	-	-
Final dividend paid - 2024/25	-	-	-	-	-	-	-	(881,555)	(881,555)	-	(881,555)
Interim dividends paid - 2025/26	-	-	-	-	-	-	-	(3,538,073)	(3,538,073)	-	(3,538,073)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	995,994	995,994	(2,449,977)	(1,453,983)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(1,301,804)	(1,301,804)
As at 31 March 2026	133,797,594	4,526,766	48,253,729	73,698,330	1,611,296	3,627,315	4,366,133	144,883,736	414,764,899	24,940,636	439,705,535

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 470 to 566 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE AND GROUP INFORMATION

1. CORPORATE INFORMATION

Reporting entity

John Keells Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

Consolidated financial statements

The financial statements for the year ended 31 March 2026 comprise "the Company" referring to John Keells Holdings PLC as the holding Company and "the Group" referring to the companies that have been consolidated therein.

John Keells Holdings PLC became the holding Company of the Group during the financial year ended 31 March 1986.

Approval of financial statements

The financial statements for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 26 May 2026.

Principal activities and nature of operations of the holding Company

John Keells Holdings PLC, the Group's holding Company, manages a portfolio of investments consisting of a range of diverse business operations, which together constitute the John Keells Group, and provides function based services to its subsidiaries, jointly controlled entities and associates.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual report.

Statements of compliance

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

2. GROUP INFORMATION

Subsidiaries, associates and joint ventures

The companies within the Group and its business activities are described in the Group Directory under the Supplementary Information section of the Annual Report.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings, derivative financial instruments, fair value through profit or loss financial assets and financial instruments measured at fair value through other comprehensive income that have been measured at fair value.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group companies in determining the going concern basis for preparation of the financial statements.

The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

Offsetting
Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

Presentation of functional currency
The consolidated financial statements are presented in Sri Lankan Rupees (Rs), which is the primary economic environment in which the holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

The following subsidiaries are using different functional currencies other than Sri Lankan Rupees (Rs):

Country of incorporation	Functional Currency	Name of the Subsidiary
Singapore	Singapore Dollar (SGD)	John Keells Singapore (Pte) Ltd
Republic of Maldives	United States Dollar (USD)	Fantasea World Investments (Pvt) Ltd
		John Keells Maldivian Resort (Pvt) Ltd
		Mack Air Services Maldives (Pvt) Ltd
		Tranquility (Pvt) Ltd
		Travel Club (Pvt) Ltd
Mauritius	United States Dollar (USD)	John Keells BPO Holdings (Pvt) Ltd
		John Keells BPO International (Pvt) Ltd

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements'.

All values are rounded to the nearest rupees thousand (Rs.'000) except when otherwise indicated.

The material accounting policies are discussed with relevant individual notes.

The indicative US Dollar financial statements under Supplementary Information section of the Annual Report do not form a part of the financial statements prepared in accordance with Sri Lanka Accounting Standards.

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

Amendments to the financial statements due to changes in accounting standards are discussed in Note 6.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES
Summary of material accounting policies has been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Group.

Other material accounting policies not disclosed with individual notes
Following accounting policies, which have been applied consistently by the Group, are considered to be material but not covered in any other sections.

Current versus non-current classification
The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency translation, foreign currency transactions and balances

The consolidated financial statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

Foreign operations

The statement of financial position and income statement of overseas subsidiaries which are deemed to be foreign operations are translated to Sri Lanka rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period respectively.

The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the financial statements. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The items which have most significant effect on accounting judgements, estimate and assumptions are as follows;

a) Going concern basis

b) Valuation of land and building and investment property

c) Impairment of non-financial assets

d) Share based payments

e) Taxes

f) Employee benefit liability

g) Valuation of insurance contract liabilities

h) Provision for expected credit losses of trade receivables and contract assets

i) Leases

The Group performed impairment testing for non-current assets with the indicators of impairment in accordance with the accounting policies stated in Note 22 Property, Plant and equipment, Note 23 Right of use assets, Note 24 Investment property and Note 25 Intangible assets. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amounts of cash generating units are the higher of asset's fair value less costs of disposals and value in use. These calculations require the use of estimates, assumptions and judgements. The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.

The Group assesses the fair value of its property, plant and equipment and investment property based on valuations determined by independent qualified valuers' best estimate based on the market conditions that prevailed, which in the valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

6. CHANGES IN ACCOUNTING STANDARDS

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

Amendments to LKAS 21: Lack of Exchangeability

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

SLFRS 17 - Insurance Contracts – Union Assurance PLC (UA)

As recommended by the Accounting Standards Committee, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has decided to adopt SLFRS 17 - Insurance Contracts with effect from annual reporting periods beginning after 1 January 2026 and earlier application of this standard is permitted.

Overview

SLFRS 17 will replace SLFRS 4 on accounting for insurance contracts and will be effective from 1 January 2026. SLFRS 4 permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdiction prior to January 2005. SLFRS 17 replaces this with a new measurement model for all insurance contracts.

Objective

SLFRS 17 Insurance contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of SLFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

Scope

SLFRS 17 applies to:

a) Insurance contracts, including reinsurance contracts, it issues;

b) Reinsurance contracts it holds;

c) and Investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Union Assurance PLC (UA), a group subsidiary company has insurance and reinsurance contracts and those are valued under SLFRS 17. UA doesn't issue any investment contracts with discretionary participation features.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

Some contracts meet the definition of an insurance contract but have their primary purpose as provision of services for a fixed fee. Such issued contracts are in the scope of the Standard, unless an entity chooses to apply SLFRS 15 Revenue from Contracts with Customers, provided the following conditions are met:

a) the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;

b) the contract compensates customers by providing a service, rather than by making cash payments to the customer; and

c) the insurance risk transferred by the contract arises primarily from the customer's use of service rather than from uncertainty over the cost of those services.

However, UA doesn't currently provide any of its product where the main aim is provision of service for a fixed fee.

Recognition
Currently, all acquisition costs were recognised as expense. Under SLFRS 17, only insurance acquisition cash flows that arises before the recognition of the related insurance contracts are recognised as a separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

An entity shall recognise a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period;

b) the date when the first payment from a policyholder becomes due; and

c) when the group becomes onerous and circumstances indicate that there is such a group

Measurement
SLFRS – 17 specify three measurement approaches;

1. General Measurement Model (GMM)
2. Premium Allocation Approach (PAA)
3. Variable Fee Approach (VFA)

General Measurement Model (GMM)
On initial recognition, an entity shall measure a group of contracts at the total of:

a) the amount of fulfilment cash flows ("FCF"), which comprise:

i. estimates of future cash flows;

ii. an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and

iii. a risk adjustment for non-financial risk

b) the contractual service margin ("CSM").

An entity shall include all the cash flows within the boundary of each contract in the group. The entity may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices.

UA has assessed the measurement models suits its product portfolio in compliance with standard requirements.

Discount Rates

The discount rates applied to the estimate of cash flows shall:

a) reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

b) be consistent with observable market prices of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and

c) exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

UA has determined its discount rate methodology considering above characteristics.

Risk Adjustment for Non-financial Risk

The estimate of the present value of the future cash flows is adjusted to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

Contractual Service Margin (CSM)

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) the initial recognition of an amount for the FCF;

b) the derecognition at that date of any asset or liability recognised for acquisition cash flows; and

c) any cash flows arising from the contracts in the group at that date.

Subsequent Measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

a) the liability for remaining coverage comprising:

I. the FCF related to future services and;

II. the CSM of the group at that date;

b) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

Onerous Contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero.

On subsequent measurement, if a group of insurance contracts become onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, CSM cannot increase and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Variable Fee Approach (VFA)

Mandatory measurement approach for contracts with direct participation features. The standard describes three conditions which are required to be met by a contract to be deemed to be a contract with direct participation feature. The three conditions are as follows:

I. The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.

II. The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.

III. The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

Premium Allocation Approach (PAA)
Optional measurement approach which can be applied instead of GMM provided certain criteria are met. Typically, these are contracts where application of PAA will yield similar insurance contract liabilities as under GMM or coverage period of contract one year or less than one year.

UA has assessed the measurement models that suit its product portfolio in compliance with standard requirements.

Modification and De-Recognition
Modification of an Insurance Contract
If the terms of an insurance contract are modified, an entity shall derecognise the original contract and recognise the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The modification is substantive if any of the following conditions are satisfied:

a) if, had the modified terms been included at contract's inception, this would have led to:

i. exclusion from the Standard's scope;

ii. unbundling of different embedded derivatives;

iii. significant change to contract boundary; or

iv. the reallocation to a different group of contracts; or

b) if the original contract met the definition of a direct participating insurance contracts, but the modified contract no longer meets that definition, or vice versa; or

c) the entity originally applied the PAA, but the contract's modifications made it no longer eligible for it.

De-Recognition
An entity shall de-recognise an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Presentation in the Statement of Financial Position
An entity shall present separately in the Statement of Financial Position the carrying amount of groups of:

a) insurance contracts issued that are assets;

b) insurance contracts issued that are liabilities;

c) reinsurance contracts held that are assets; and

d) reinsurance contracts held that are liabilities.

Recognition and Presentation in the Statement(s) of Financial Performance
An entity shall disaggregate the amounts recognised in the statement(s) of financial performance into:

a) an insurance service result, comprising insurance revenue and insurance service expenses, and

b) insurance finance income or expenses.

Income or expenses from reinsurance contracts held shall be presented separately from the expenses or income from insurance contracts issued.

Insurance Service Result
An entity shall present in profit or loss revenue arising from the groups of insurance contracts issued, and insurance service expenses arising from a group of insurance contracts it issues, comprising incurred claims and other incurred insurance service expenses. Revenue and insurance service expenses shall exclude any investment components.

Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and

b) the effect of changes in assumptions that relate to financial risk; but

c) excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM

SLFRS 17 has an accounting policy choice between including all of insurance finance income or expense for the period in profit or loss, or disaggregating it between amount presented in profit or loss and amount presented in other comprehensive income (OCI).

UA has elected to apply the accounting policy choice to disaggregate insurance finance income or expense between profit or loss and other comprehensive income (OCI) which reduces volatility in profit or loss arising from interest rate movements. The disaggregation policy choice will be applied to contracts measured under GMM & VFA.

Disclosures

An entity shall disclose qualitative and quantitative information on;

a) the amounts recognised in its Financial Statements that arise from insurance contracts;

b) the significant judgements, and changes in those judgements, made when applying SLFRS 17; and

c) the nature and extent of the risks that arise from insurance contracts.

Effective Date

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026.

Transition

Under SLFRS 17, an entity is required to apply the Standard retrospectively unless doing so is impractical. In such cases, the entity may apply either the modified retrospective approach or the fair value approach.

UA has decided to apply the fair value approach. Under this approach, the entity determines the Contractual Service Margin (CSM) or the loss component at the transition date as the difference between the fair value of a group of insurance contracts and the fulfilment cash flows (FCF) measured at that date.

In applying this approach, UA determined opening balances at the transition date by:

- Derecognising balances that are not permitted under SLFRS 17;
- Recognising insurance contract liabilities measured in accordance with the Standard; and
- Recognising any resulting net difference directly in opening equity at the date of initial application.

As UA implemented SLFRS 9 on the same date as SLFRS 17, financial assets and financial liabilities were classified and measured in accordance with SLFRS 9 from the transition date.

At the date of initial application:

- Financial assets were assessed based on the business model for managing those assets and their contractual cash flow characteristics;
- Financial instruments were classified into the appropriate measurement categories; and
- Expected credit loss provisions were recognised where applicable.

As both Standards were adopted simultaneously, the transition adjustments arising from:

- The recognition and measurement of insurance contract liabilities under SLFRS 17; and
- The classification, measurement, and impairment of financial instruments under SLFRS 9 were recorded as adjustments to opening equity at the date of initial application.

This approach ensured consistency in the measurement of insurance liabilities and the financial assets supporting those liabilities from the same transition date and provided a reliable starting point for ongoing reporting under the new Standards.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

SLFRS 17 Implementation program

Implementation of SLFRS 17 requires a high level of expertise across both accounting and actuarial domains, as the Standard is complex and introduces fundamental changes to financial reporting, including the application of significant judgement and estimation. The impact of the Standard is substantial and will affect the measurement of insurance contracts, the timing of profit recognition, and the key indicators used to assess business performance.

Given that the implementation journey requires new investments in IT, actuarial, and finance systems, UA initiated a comprehensive implementation program in 2021 and 2025 for SLFRS 17 and SLFRS 9 respectively. This program includes establishing a strong governance structure, defining accounting policies, and developing robust internal controls to support effective compliance.

UA is in the process of implementing SLFRS 17 and SLFRS 9 with the support of selected external consultants in both actuarial and finance areas to ensure adherence to the reporting requirements. This includes the development of accounting policies and methodological applications, the establishment of appropriate processes and controls, and the implementation of necessary actuarial and finance system enhancements. Most of the key decisions have been finalised under each respective category and the UA is now in the final state of readiness for go-live.

Management is in the process of validating the results of the application of the standard. As the validation process is yet in progress, no quantitative disclosures are made in these financial statements.

SLFRS 18: Presentation and Disclosure in Financial Statements

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

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

Amendments to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments

SLFRS 19 Subsidiaries without public accountability: Disclosures

8. OPERATING SEGMENT INFORMATION

Accounting policy

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

The activities of each of the operating business segments of the Group are detailed in the Group directory in the Supplementary section of the Annual report.

The Group has now organised its business units into seven reportable operating segments based on their products and services as follows:

Transportation

This operating segment provides an array of transportation related services, which comprise of container terminals in the Port of Colombo, a marine bunkering business, domestic airline, joint venture/associations with leading shipping, logistics and air transportation multinationals as well as travel and airlines services in Sri Lanka and the Maldives.

Consumer Foods

Consumer foods segment focuses on manufacturing of a wide range of soft drinks, dairy products, ice creams and processed foods which competes in three major categories namely beverages, frozen confectionery and convenience foods.

Retail
Retail segment focuses on modern organised retailing through a chain of supermarkets, multi-use international logistics centre, distribution of printers, copiers, smartphones and other office automation equipment and Importing and selling new energy vehicles and providing after sales services.

Leisure
The leisure segment comprises of five-star city hotels, a lean luxury hotel, resort hotels spread across prime tourist locations in Sri Lanka as well as Maldives, and a destination management business in Sri Lanka.

Property
Property industry group consists of the property development sector and the property management sector which includes renting of commercial office spaces and management of the Group's real estate.

Financial Services
The segment engages in a broad range of financial services including insurance, commercial banking, debt trading, fund management, leasing and stock broking.

Others
This reportable segment represents companies in the plantation industry, Information technology, management and holding Company of the Group as well as several ancillary companies.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments. An individual segment manager is determined for each operating segment and the results are regularly reviewed by the Board of Directors. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments' information, is measured differently from operating profit or loss in the consolidated financial statements. However, except the Financial Services segment, other segments' financing activities are managed on a group basis and are not allocated to operating segments. Pricing between operating segments comply with the arm's length principles relating to transfer pricing in the ordinary course of business.

8. OPERATING SEGMENT INFORMATION (CONTD.)

8.1 Business segments

For the year ended 31 March In Rs.'000s	Transportation		Consumer Foods		Retail	
	2026	2025	2026	2025	2026	2025
Disaggregation of revenue - Timing of revenue recognition						
Goods transferred at a point in time	59,366,633	52,329,657	47,784,074	41,397,098	313,989,935	138,471,650
Services transferred over time	3,504,152	2,668,436	-	-	879,964	156,793
Total segment revenue	**62,870,785**	**54,998,093**	**47,784,074**	**41,397,098**	**314,869,899**	**138,628,443**
Elimination of inter segment revenue						
External revenue						
Segment results	**3,074,080**	**1,310,214**	**5,827,291**	**5,273,159**	**27,122,519**	**7,584,695**
Finance cost	(533,721)	(590,368)	(536,575)	(360,513)	(4,169,747)	(2,349,727)
Finance income	409,147	317,907	50,686	51,836	366,343	68,795
Change in fair value of investment property	-	-	17,000	18,751	3,646	4,634
Share of results of equity accounted investees (net of tax)	5,221,084	5,326,346	-	-	-	(179,643)
Eliminations / adjustments	-	-	90,368	(32,539)	(27,343)	72,972
Profit / (loss) before tax	**8,170,590**	**6,364,099**	**5,448,770**	**4,950,694**	**23,295,418**	**5,201,726**
Tax expense	(1,208,021)	(238,345)	(938,615)	(1,464,074)	(6,209,892)	(1,501,121)
Profit / (loss) for the year	**6,962,569**	**6,125,754**	**4,510,155**	**3,486,620**	**17,085,526**	**3,700,605**
Purchase and construction of PPE*	371,379	191,458	4,798,454	2,057,938	7,069,415	2,923,073
Addition to IA*	13,816	3,121	143,281	54,204	1,408,214	675,059
Addition to ROU*	251,701	-	14,137	-	4,824,851	1,525,149
Depreciation of PPE*	279,549	222,034	1,453,858	1,207,733	2,259,345	1,830,595
Amortisation of IA*	9,187	8,292	162,577	153,967	637,220	508,510
Amortisation of ROU*	102,924	98,435	6,892	8,317	1,419,936	1,203,990
Employee benefit provision and related costs	23,251	8,719	134,448	132,663	155,754	140,916

In addition to segment results, information such as finance costs / income, tax expenses has been allocated to segments for better presentation.
* PPE - Property, plant and equipment, IA - Intangible assets, ROU - Right-of-use assets.

	Leisure		Property		Financial Services		Others		GROUP	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	-	-	9,789,727	6,644,990	-	-	-	2,797,104	430,930,369	241,640,499
	66,913,819	49,928,268	2,349,671	2,188,779	25,475,983	21,291,434	8,306,825	6,757,717	107,430,414	82,991,427
	66,913,819	**49,928,268**	**12,139,398**	**8,833,769**	**25,475,983**	**21,291,434**	**8,306,825**	**9,554,821**	**538,360,783**	**324,631,926**
									(9,510,090)	(7,254,200)
									528,850,693	317,377,726
	1,531,018	**(3,109,173)**	**1,629,910**	**673,036**	**4,598,070**	**4,655,240**	**(2,415,982)**	**(1,691,763)**	**41,366,906**	**14,695,408**
	(11,600,314)	(4,856,301)	(59,394)	(85,043)	-	(7)	(8,035,549)	(10,200,689)	(24,935,300)	(18,442,648)
	120,527	975,197	104,734	74,327	291,006	284,238	4,494,364	4,998,267	5,836,807	6,770,567
	980,793	74,597	1,260,297	795,090	-	-	38,092	63,690	2,299,828	956,762
	(128,749)	(75,030)	413,507	(231,009)	6,475,355	5,938,290	-	-	11,981,197	10,778,954
	1,300,211	(63,757)	(136,930)	(42,598)	273,469	205	(361,597)	188,011	1,138,178	122,294
	(7,796,514)	**(7,054,467)**	**3,212,124**	**1,183,803**	**11,637,900**	**10,877,966**	**(6,280,672)**	**(6,642,484)**	**37,687,616**	**14,881,337**
	(1,911,104)	(707,204)	(255,096)	(60,620)	(1,791,878)	(1,511,031)	(3,291,502)	(2,474,678)	(15,606,108)	(7,957,073)
	(9,707,618)	**(7,761,671)**	**2,957,028**	**1,123,183**	**9,846,022**	**9,366,935**	**(9,572,174)**	**(9,117,162)**	**22,081,508**	**6,924,264**
	5,731,500	41,119,395	218,399	383,726	376,865	150,814	104,967	225,931	18,670,979	47,052,335
	74,626	133,068	-	-	203,837	6,833,463	174,287	2,795,152	2,018,061	10,494,067
	708,136	48,674	-	-	165,451	363,988	165,321	-	6,129,597	1,937,811
	9,148,417	5,356,271	81,715	80,497	143,567	121,452	128,991	205,846	13,495,442	9,024,428
	79,445	86,828	167	167	431,092	402,908	314,316	67,089	1,634,004	1,227,761
	2,390,912	2,250,230	20,409	20,452	192,672	169,186	71,950	75,264	4,205,695	3,825,874
	264,180	251,551	28,312	28,803	63,098	60,317	115,548	114,809	784,591	737,778

8. OPERATING SEGMENT INFORMATION (CONTD.)

8.2. Business segments

The following table presents segment assets and liabilities of the Group's business segments.

As at	Transportation		Consumer Foods		Retail	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
In Rs.'000s						
Property, plant and equipment	1,358,460	1,292,634	15,930,081	12,169,393	25,335,079	19,848,302
Right-of-use-assets	365,442	211,640	647,803	691,894	14,037,370	9,963,210
Investment properties	-	-	394,104	377,104	317,668	314,022
Intangible assets	56,571	51,942	1,700,097	1,707,949	3,840,223	3,023,726
Non-current financial assets	125,786	124,139	365,490	324,468	311,753	273,886
Other non-current assets	31,952	41,885	116,923	58,647	1,549,802	1,189,525
Segment non-current assets	**1,938,211**	**1,722,240**	**19,154,498**	**15,329,455**	**45,391,895**	**34,612,671**
Investments in equity accounted investees	31,092,594	29,092,413	-	-	-	65,883
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	1,622,086	1,820,667	7,525,912	5,700,635	38,378,586	12,295,102
Trade and other receivables	12,858,689	5,561,779	8,759,768	7,497,609	7,410,146	6,168,340
Short term investments	6,960,753	6,203,627	-	-	2,694,839	1,060
Cash in hand and at bank	3,576,215	878,126	350,708	679,934	2,677,497	1,579,438
Segment current assets	**25,017,743**	**14,464,199**	**16,636,388**	**13,878,178**	**51,161,068**	**20,043,940**
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	471,500	390,875	1,847,953	624,316	2,015,217	2,525,707
Lease liabilities	286,590	162,074	550,290	561,965	15,325,830	10,949,716
Employee benefit liabilities	167,760	106,822	873,701	702,339	822,306	610,849
Other non-current liabilities	-	-	104,152	125,689	-	-
Segment non-current liabilities	**925,850**	**659,771**	**3,376,096**	**2,014,309**	**18,163,353**	**14,086,272**
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	10,200,687	4,795,622	5,785,076	4,961,818	26,740,831	21,101,577
Short term borrowings	11,439,011	6,872,653	2,060,000	-	14,925,791	2,505,689
Interest bearing loans and borrowings	99,375	72,875	1,220,852	381,050	610,489	2,125,000
Lease liabilities	122,705	96,812	31,742	19,424	995,238	697,530
Bank overdrafts	2,430,306	839,808	4,829,276	5,274,759	7,657,290	5,692,396
Segment current liabilities	**24,292,084**	**12,677,770**	**13,926,946**	**10,637,051**	**50,929,639**	**32,122,192**
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	26,955,954	16,186,439	35,790,886	29,207,633	96,552,963	54,656,611
Total segment liabilities	25,217,934	13,337,541	17,303,042	12,651,360	69,092,992	46,208,464

Inter company investments made by the Group of companies have not been considered for the calculation of segment assets.

	Leisure		Property		Financial Services		Others		GROUP	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	325,792,863	350,479,536	5,428,296	5,257,236	3,445,002	3,039,273	1,252,536	2,213,614	378,542,317	394,299,988
	37,124,354	36,828,656	196,441	200,968	544,275	585,240	241,958	150,541	53,157,643	48,632,149
	30,318,240	5,447,996	49,763,727	48,138,231	-	-	2,284,029	3,005,745	83,077,768	57,283,098
	478,683	397,295	19,217	167	7,256,771	7,487,232	2,708,959	2,857,681	16,060,521	15,525,992
	9,867,268	9,276,930	-	280	89,735,657	72,816,695	1,963,715	2,649,643	102,369,669	85,466,041
	52,452	52,720	24,201	1,402,849	73,723	75,808	144,584	163,832	1,993,637	2,985,266
	403,633,860	**402,483,133**	**55,431,882**	**54,999,731**	**101,055,428**	**84,004,248**	**8,595,781**	**11,041,056**	**635,201,555**	**604,192,534**
	2,190,523	2,326,454	1,453,430	1,039,923	32,084,585	29,230,818	-	-	66,821,132	61,755,491
									1,761,110	1,476,180
									977,987	966,608
									(10,306,141)	(9,784,990)
									694,455,643	**658,605,823**
	1,788,070	1,937,283	9,113,711	16,620,524	-	-	7,637	418,778	58,436,002	38,792,989
	12,197,118	9,541,721	3,275,580	1,511,586	2,474,502	2,399,964	3,636,639	3,518,102	50,612,442	36,199,101
	6,745,370	6,434,922	3,485,944	531,476	22,243,785	21,101,684	58,285,369	62,382,275	100,416,060	96,655,044
	5,863,225	5,129,205	620,109	798,116	1,574,325	1,599,558	5,897,404	4,326,726	20,559,483	14,991,103
	26,593,783	**23,043,131**	**16,495,344**	**19,461,702**	**26,292,612**	**25,101,206**	**67,827,049**	**70,645,881**	**230,023,987**	**186,638,237**
									15,830,985	10,656,409
									(11,187,314)	(9,982,388)
									234,667,658	**187,312,258**
									929,123,301	**845,918,081**
	-	-	-	-	97,852,343	82,555,004	-	-	97,852,343	82,555,004
	60,565,769	69,155,563	169,167	309,167	-	-	52,469,619	72,971,684	117,539,225	145,977,312
	15,273,501	15,602,487	410	462	371,908	417,858	166,268	116,462	31,974,797	27,811,024
	1,362,944	1,086,268	25,470	19,061	332,675	270,337	760,055	667,789	4,344,911	3,463,465
	124,429	100,442	-	314,168	89,379	180,684	-	387	317,960	721,370
	77,326,643	**85,944,760**	**195,047**	**642,858**	**98,646,305**	**83,423,883**	**53,395,942**	**73,756,322**	**252,029,236**	**260,528,175**
									24,309,095	23,204,978
									(9,757,743)	(9,269,288)
									266,580,588	**274,463,865**
	10,931,680	9,623,669	7,133,711	20,611,402	8,578,652	7,365,687	3,656,891	2,468,652	73,027,528	70,928,427
	7,545,704	8,293,568	146,521	-	-	-	25,240,648	4,112,074	61,357,675	21,783,984
	15,247,010	9,341,177	70,000	205,072	-	-	13,645,774	14,548,047	30,893,500	26,673,221
	2,049,158	1,712,348	52	-	166,870	153,776	63,918	8,038	3,429,683	2,687,928
	12,102,644	13,697,078	191,146	202,517	145,246	116,729	16,769,967	5,347,384	44,125,875	31,170,671
	47,876,196	**42,667,840**	**7,541,430**	**21,018,991**	**8,890,768**	**7,636,192**	**59,377,198**	**26,484,195**	**212,834,261**	**153,244,231**
									5,358,791	1,976,863
									15,615,464	7,482,902
									(10,971,338)	(10,052,488)
									222,837,178	**152,651,508**
									489,417,766	**427,115,373**
	430,227,643	425,526,264	71,927,226	74,461,433	127,348,040	109,105,454	76,422,830	81,686,937	865,225,542	790,830,771
	125,202,839	128,612,600	7,736,477	21,661,849	107,537,073	91,060,075	112,773,140	100,240,517	464,863,497	413,772,406

8. OPERATING SEGMENT INFORMATION (CONTD.)

8.3 Business Segment analysis - Disaggregation of revenue - Business segment analysis

For the year ended 31 March In Rs.'000s	GROUP					
	2026			2025		
	Sale of goods	Rendering of services	Total revenue	Sale of goods	Rendering of services	Total revenue
Transportation	59,366,633	2,971,603	62,338,236	52,329,657	2,224,206	54,553,863
Consumer Foods	44,437,509	-	44,437,509	38,669,088	-	38,669,088
Retail	313,040,833	879,937	313,920,770	138,179,960	156,661	138,336,621
Leisure	-	66,809,041	66,809,041	-	49,850,898	49,850,898
Property	9,789,727	1,977,353	11,767,080	6,644,990	1,901,361	8,546,351
Financial Services	-	25,474,753	25,474,753	-	21,291,434	21,291,434
Others	-	4,103,304	4,103,304	2,797,104	3,332,367	6,129,471
Group external revenue	426,634,702	102,215,991	528,850,693	238,620,799	78,756,927	317,377,726

8.4 Disaggregation of revenue - Geographical segment analysis (by location of customers)

For the year ended 31 March In Rs.'000s	GROUP	
	2026	2025
Sri Lanka	427,002,247	227,503,106
Asia (excluding Sri Lanka)	30,852,291	26,678,812
Europe	49,517,284	44,083,608
Others	21,478,871	19,112,200
Group external revenue	528,850,693	317,377,726

8.5 Geographical segments, based on the location of assets

As at / for the year ended 31 March In Rs.'000s	Sri Lanka		Asia (excluding Sri Lanka)		GROUP	
	2026	2025	2026	2025	2026	2025
Group external revenue	509,635,829	299,252,204	19,214,864	18,125,522	528,850,693	317,377,726
Segment revenue	519,085,554	306,448,595	19,275,229	18,183,331	538,360,783	324,631,926
Segment results	39,459,893	13,223,710	1,907,013	1,471,698	41,366,906	14,695,408
Segment assets	800,890,896	722,805,824	64,334,646	68,024,947	865,225,542	790,830,771
Segment liabilities	418,972,604	363,384,744	45,890,893	50,387,662	464,863,497	413,772,406
Purchase and construction of property, plant and equipment	17,821,967	46,534,569	849,012	517,766	18,670,979	47,052,335
Purchase and construction of intangible assets	2,018,061	10,429,060	-	65,007	2,018,061	10,494,067
Depreciation of property, plant and equipment	11,952,528	7,519,025	1,542,914	1,505,403	13,495,442	9,024,428
Amortisation of intangible assets	1,623,519	1,219,823	10,485	7,938	1,634,004	1,227,761
Amortisation of right- of - use assets	2,023,058	1,642,170	2,182,637	2,183,704	4,205,695	3,825,874
Employee benefit provision and related costs	784,591	737,778	-	-	784,591	737,778
Investments in equity accounted investees	66,821,132	61,755,491	-	-	66,821,132	61,755,491

9. BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES

Accounting policy

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of reporting period. Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control over an investee

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Consolidation of entities in which the Group holds less than a majority of voting rights

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

Subsidiaries that are consolidated have been listed in the Group directory under Supplementary section of the annual report.

The following companies, with equity control equal to or less than 50%, have been consolidated as subsidiaries based on above criteria.

	% Holding
Rajawella Holdings Limited	49.85
Mack Air Services Maldives (Pvt) Ltd	49.00
John Keells CG Auto (Pvt) Ltd	50.00

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 (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

Transactions eliminated on consolidation

All intra-group assets, 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.

Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position.

Non-controlling interest (NCI)

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent.

The Consolidated Statement of Cash Flow includes the cash flows of the Company and its subsidiaries.

9. BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

9.1 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests (NCI) are provided below.

In Rs.'000s	Leisure		Consumer Foods		Retail	
	2026	2025	2026	2025	2026	2025
Summarised Total Comprehensive Income Statement for the year ended 31 March						
Revenue	66,913,819	49,928,268	47,784,074	41,397,098	314,869,899	138,628,443
Operating cost	(61,837,557)	(52,367,328)	(38,329,142)	(33,763,356)	(287,743,975)	(131,038,370)
Finance cost	(11,600,314)	(4,856,301)	(577,747)	(374,402)	(4,173,153)	(2,355,106)
Finance income	120,527	975,197	50,686	51,836	366,343	68,795
Change in fair value of investment properties	1,199,857	134,830	17,000	18,751	3,646	4,634
Profit before tax	**(5,203,668)**	**(6,185,334)**	**8,944,871**	**7,329,927**	**23,322,760**	**5,308,396**
Tax expense	(1,976,823)	(725,274)	(938,615)	(1,464,074)	(6,222,704)	(1,552,045)
Profit for the year	**(7,180,491)**	**(6,910,608)**	**8,006,256**	**5,865,853**	**17,100,056**	**3,756,351**
Other comprehensive income	2,679,638	2,019,370	(1,578,686)	1,275,822	(25,951,602)	248,255
Total comprehensive income	**(4,500,853)**	**(4,891,238)**	**6,427,570**	**7,141,675**	**(8,851,546)**	**4,004,606**
Profit/(loss) allocated to NCI	495,888	(57,205)	823,026	641,870	6,783,557	561,616
Dividend paid to NCI	120,497	127,857	1,065,183	805,461	372,911	229,959
Summarised Statement of Financial Position as at 31 March						
Non-current assets	403,633,860	402,483,133	19,154,498	15,329,455	45,391,895	34,612,671
Current assets	26,593,783	23,243,131	16,636,388	13,878,178	51,161,068	20,043,940
Total assets	**430,227,643**	**425,726,264**	**35,790,886**	**29,207,633**	**96,552,963**	**54,656,611**
Non-current liabilities	77,326,643	85,944,760	3,376,096	2,014,309	18,163,353	14,086,272
Current liabilities	47,876,196	42,667,840	13,926,946	10,637,051	50,929,639	32,122,192
Total liabilities	**125,202,839**	**128,612,600**	**17,303,042**	**12,651,360**	**69,092,992**	**46,208,464**
Accumulated balances of NCI	13,785,739	12,895,430	8,420,516	7,958,476	9,449,275	3,109,140
Summarised Statement of Cash Flows for the year ended 31 March						
Cash flows from/(used in) operating activities	7,442,847	6,640,262	3,895,437	4,136,375	9,145,938	8,416,288
Cash flows from/(used in) investing activities	(1,477,288)	(1,858,012)	(1,354,299)	246,067	(10,873,351)	(3,196,835)
Cash flows from/(used in) financing activities	(4,759,866)	(6,185,602)	(2,478,299)	(6,183,498)	(2,154,992)	(4,747,386)
Net increase / (decrease) in cash and cash equivalents	**1,205,693**	**(1,403,352)**	**62,839**	**(1,801,056)**	**(3,882,405)**	**472,067**

The above information is based on amounts before inter-company eliminations.

Names of material partly-owned subsidiaries and effective holding % owned by non-controlling interest:
Considering the Group balances, none of the individual partly-owned subsidiaries have material non-controlling interest. However, the above information has been presented on the aggregated interests in similar entities namely, the Leisure, Consumer Foods and Retail segment, based on the nature and risks of the products and services.

The Group has material partly owned subsidiaries in Consumer Foods, Retail and Leisure sectors.

In Consumer Foods Sector, Ceylon Cold Stores PLC, Keells Food Products PLC and The Colombo Ice Company (Pvt) Ltd has an effective holding owned by non-controlling interest ranging from 11.37% - 18.64% as at 31 March 2026 (2025 - 11.37% - 18.64%).

In Retail Sector, JayKay Marketing Services (Pvt) Ltd, John Keells CG Auto (Pvt) Ltd and Logipark International (Pvt) Ltd have an effective holding owned by non-controlling interest ranging from 18.64% - 50% as at 31 March 2026 (2025 - 18.64%).

Under Leisure Sector, following companies have significant partly owned subsidiaries with effective holding percentage owned by non-controlling interest ranged from 1.95% - 24.67% (2025 – 1.65% - 24.67%).

The Leisure Sector subsidiaries include Ahungalla Holiday Resorts (Pvt) Ltd, Asian Hotels and Properties PLC, Beruwala Holiday Resorts (Pvt) Ltd, Ceylon Holiday Resorts Ltd, Cinnamon Holidays (Pvt) Ltd, Fantasea World Investments (Pvt) Ltd, Habarana Lodge Limited, Habarana Walk Inn Limited, Hikkaduwa Holiday Resorts (Pvt) Ltd, International Tourists and Hoteliers Limited, John Keells Hotels PLC, John Keells Maldivian Resorts (Pvt) Ltd, Nuwara Eliya Holiday Resorts (Pvt) Ltd, Rajawella Hotels Company Limited, Resort Hotels Limited, Tranquility (Pvt) Ltd, Trans Asia Hotels PLC, Travel Club (Pvt) Ltd, Trinco Holiday Resorts (Pvt) Ltd, Trinco Walk Inn Limited, Walkers Tours Limited, Wirawila Walk Inn Limited, Yala Adventure Park (Pvt) Ltd and Yala Village (Pvt) Ltd.

Please refer Note 26 for the individual company's effective holdings.

Accounting judgements,estimates and assumptions
Consolidation of entities in which the Group holds less than a majority of voting right (de facto control).

The Group considers that it controls some subsidiaries even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of those subsidiaries with equity interest. The remaining equity shares in those subsidiaries are widely held by many other shareholders, and there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

10. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Accounting policy

Business combinations & goodwill

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement. The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Income Statement, in accordance with SLFRS 9.

Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation, goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 March) when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

10.1 Changes to investment in subsidiaries

Waterfront Properties (Pvt) Ltd (WPL)

John Keells Holdings PLC (JKH) further invested Rs.19,483 Mn (2025 - Rs.27,207 Mn) in WPL, a subsidiary of John Keells Group involved in developing, owning, managing, operating, selling, leasing and renting of a luxury multi/mixed use Integrated Resort.

The project's key investments are presented in the statement of financial position under the following categories.

Asset Category	Type	Value (In Mn)	Note reference
Property, plant and equipment	Integrated hotel	254,974	22
Investment Property	Commercial buildings	42,153	24
Inventory	Residential apartments	8,457	30

The recoverability of the investment in Waterfront Properties is duly assessed based on the projected revenue, EBITDA margins, occupancy rates and cash flow projections discounted using a rate reflecting the appropriate risk appetite of the company and considering the performance of similar integrated properties regionally.

Consolidating John Keells CG Auto (Pvt) Ltd

Effective from 1 April 2025, the Group has consolidated the financials of John Keells CG Auto (Pvt) Ltd (JKCG) as a subsidiary investment. This change stems from revisions to the JKCG shareholders' agreement. Previously, in the 2024/2025 financial year, JKCG was treated as an equity-accounted joint venture, although commercial operations and related sales revenue were yet to commence. The Group's effective ownership of JKCG remains at 50%.

Divestment of Tea Smallholders Factories PLC

On 3 April 2025, the Company divested the totality of its 37.62% equity stake in Tea Smallholders Factories PLC (TSHF) comprising of 11,286,000 ordinary shares, at a price of Rs.35 per share, for a total consideration of Rs.395 Mn. The Group recorded a loss of Rs.259 Mn, at a consolidated level.

Divestment of Kandy Walk Inn Limited

On 31 March 2026, John Keells Hotels PLC , a subsidiary of John Keells Group, divested the totality of its 98.39% equity stake in Kandy Walk Inn Limited (KWIL) for a consideration of Rs.2,777 Mn. The Group recorded a pre-tax gain of Rs.1,523 Mn, at a consolidated level.

Acquisition of Yala Adventure Park (Pvt) Ltd

On 2 February 2026, Yala Village (Pvt) Ltd, a subsidiary of John Keells Group, acquired an equity interest of 92.89% comprising of 4,036,450 ordinary shares in Yala Adventure Park (Pvt) Ltd for a total consideration of Rs.85 Mn, including a deferred consideration.

John Keells Restaurants (Pvt) Ltd

John Keells Holdings PLC has invested Rs.100 Mn in John Keells Restaurants (Pvt) Ltd, a fully owned subsidiary of John Keells Group.

10.2 Changes to investment in equity accounted investees

Divestment of Fairfirst Insurance Limited by Union Assurance PLC

On 18 September 2025, Union Assurance PLC (UA), a subsidiary of John Keells Group, divested the totality of its 22% equity stake in Fairfirst Insurance Limited (FF) comprising of 30,800,000 ordinary shares for a consideration of Rs.2,638 Mn. The Group recorded a pre-tax gain of Rs.273 Mn, at a consolidated level.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has loans and other receivables, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group also holds other financial instruments such as available for sale and fair value through profit or loss financial instruments and may enter into derivative transactions. The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group is exposed to market risk, credit risk and liquidity risk.

11.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

As at 31 March		2026				
In Rs.'000s	Note	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties
Group						
Government securities	11.1.2	77,188,907	-	-	11,285,986	-
Corporate debt securities	11.1.3	9,336,719	-	-	2,128,218	-
Deposits with banks and non bank financial institutes	11.1.4	403,405	-	-	70,636,708	-
Loans to executives	11.1.5	1,631,595	-	505,993	-	-
Loans to life policyholders	11.1.6	2,726,895	-	242,562	-	-
Cash flow hedge	11.1.7	1,611,295	-	-	-	-
Trade and other receivables	11.1.8	-	-	43,484,299	-	-
Reinsurance receivables	11.1.9	149,262	-	375,793	-	-
Premium receivable	11.1.10	-	-	885,416	-	-
Amounts due from related parties	11.1.11	-	-	-	-	617,166
Cash in hand and at bank	11.1.12	-	20,436,001	-	-	-
Total credit risk exposure		93,048,078	20,436,001	45,494,063	84,050,912	617,166
Financial assets at fair value through P&L	11.3.3.1	-	-	-	9,892,077	-
Financial assets at fair value through OCI	11.3.3.2	40,725	-	-	-	-
Total equity risk exposure		40,725	-	-	9,892,077	-
Total		93,088,803	20,436,001	45,494,063	93,942,989	617,166
Company						
Government securities	11.1.2	-	-	-	-	-
Deposits with banks and non bank financial institutes	11.1.4	-	-	-	58,006,522	-
Loans to executives	11.1.5	156,490	-	26,478	-	-
Interest rate swap	11.1.7	1,611,295	-	-	-	-
Trade and other receivables	11.1.8	-	-	451,835	-	-
Amounts due from related parties	11.1.11	-	-	-	-	918,741
Cash in hand and at bank	11.1.12	-	475,166	-	-	-
Total credit risk exposure		1,767,785	475,166	478,313	58,006,522	918,741
Financial assets at fair value through OCI	11.3.3.2	31,331	-	-	-	-
Total equity risk exposure		31,331	-	-	-	-
Total		1,799,116	475,166	478,313	58,006,522	918,741

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, available-for-sale financial investments, investments, and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

11.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

			2025					
	Total	% of allocation	Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
	88,474,893	36%	62,227,346	-	-	12,395,752	-	74,623,098	36%
	11,464,937	5%	7,606,328	-	-	2,255,924	-	9,862,252	5%
	71,040,113	29%	377,893	-	-	68,059,661	-	68,437,554	33%
	2,137,588	1%	1,349,621	-	471,153	-	-	1,820,774	1%
	2,969,457	1%	2,615,908	-	116,744	-	-	2,732,652	1%
	1,611,295	1%	2,228,046	-	-	-	-	2,228,046	1%
	43,484,299	18%	-	-	29,911,323	-	-	29,911,323	15%
	525,055	0%	134,512	-	305,223	-	-	439,735	0%
	885,416	0%	-	-	1,003,288	-	-	1,003,288	1%
	617,166	0%	-	-	-	-	580,135	580,135	0%
	20,436,001	9%	-	15,146,008	-	-	-	15,146,008	7%
	243,646,220	100%	76,539,654	15,146,008	31,807,731	82,711,337	580,135	206,784,865	100%
			-	-	-	7,700,139	-		
			44,474	-	-	-	-		
			44,474	-	-	7,700,139	-		
			76,584,128	15,146,008	31,807,731	90,411,476	580,135		
	-	-	-	-	-	877	-	877	0%
	58,006,522	94%	-	-	-	61,798,328	-	61,798,328	93%
	182,968	0%	119,875	-	22,978	-	-	142,853	0%
	1,611,295	3%	2,228,046	-	-	-	-	2,228,046	4%
	451,835	1%	-	-	688,877	-	-	688,877	1%
	918,741	1%	-	-	-	-	840,848	840,848	1%
	475,166	1%	-	495,140	-	-	-	495,140	1%
	61,646,527	100%	2,347,921	495,140	711,855	61,799,205	840,848	66,194,969	100%
			35,181	-	-	-	-		
			35,181	-	-	-	-		
			2,383,102	495,140	711,855	61,799,205	840,848		

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.1.2 Government securities

As at 31 March 2026 as shown in table above, 36% (2025 - 36%) of debt securities comprise investments in government securities consist of treasury bonds, bills and reverse repo investments.

11.1.3 Corporate debt securities

As at 31 March 2026 corporate debt securities comprise 5% (2025 - 5%) of the total investments in debt securities, out of which 71% (2025 - 68%) were rated "A" or better, or guaranteed by a banking institution with a rating of "A" or better.

	GROUP			
As at 31 March	2026		2025	
Fitch ratings	In Rs.'000s	%	In Rs.'000s	%
AA-	211,398	2%	211,422	2%
A+	508,620	4%	2,695	0%
A	7,405,309	65%	6,471,246	66%
A-	1,181,819	10%	358,529	4%
BBB+	2,063,680	18%	2,723,308	27%
BBB-	94,111	1%	95,052	1%
Total	11,464,937	100%	9,862,252	100%

11.1.4 Deposits with banks

Deposits with bank mainly consist of fixed and call deposits .

As at 31 March 2026, fixed and call deposits comprise 100% (2025 - 100%) and 100% (2025 - 100%) for the Group and Company respectively were rated "A" or better.

	GROUP				COMPANY			
As at 31 March	2026		2025		2026		2025	
Fitch ratings	In Rs.'000s	%	In Rs.'000s	%	In Rs.'000s	%	In Rs.'000s	%
AA	-	-	1,501,086	2%	-	-	-	-
AA-	36,781,369	52%	42,100,986	62%	27,811,217	48%	39,997,986	65%
A+	3,241,766	5%	3,059,021	5%	3,197,802	6%	3,059,021	5%
A	30,613,573	43%	21,398,568	31%	26,997,503	46%	18,741,321	30%
Total	70,636,708	100%	68,059,661	100%	58,006,522	100%	61,798,328	100%

11.1.5 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary promissory notes as collateral for the loans granted.

11.1.6 Loans to life policyholders

The surrender value of insurance policies considered as the collateral for the loans given to life policy holders by Union Assurance PLC. System controls are in place to automatically convert a policy to lapse stage when the policy loan amount together with the interest is reaching the surrender value of the policy.

11.1.7 Cash flow hedge

The Group has entered into interest rate swap that is a cash flow hedge. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships. Refer Note 13.3.

11.1.8 Trade and other receivables

As at 31 March **In Rs.'000s**	GROUP		COMPANY	
	2026	2025	**2026**	2025
Neither past due nor impaired	25,856,264	11,543,569	255,063	521,663
Past due but not impaired				
0-30 days	12,428,054	13,814,173	99,367	121,291
31–60 days	2,506,051	3,428,459	58,730	43,531
61–90 days	815,538	751,913	35,506	30
> 91 days	3,780,110	2,224,547	3,206	3,471
Gross carrying value	45,386,017	31,762,661	451,872	689,986
Allowance for expected credit losses	(1,901,718)	(1,851,338)	(37)	(1,109)
Total	43,484,299	29,911,323	451,835	688,877

The Group has obtained customer deposit from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset, including trade and receivables, as indicating impairment when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to provide impairment indications when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

11.1.9 Reinsurance receivables

The Union Assurance PLC operates a policy to manage its reinsurance counterparty exposures by limiting the reinsurers that may be used and applying strict limits each reinsurer.

11.1.10 Premium receivable

Only designated institutions are employed as intermediary parties by Union Assurance PLC. Agreements have been signed within the intermediaries committing them to settle dues within a specified time period.

11.1.11 Amounts due from related parties

The Group's amounts due from related parties mainly consists of associates and other venture partners' balances. The Company balance consists of the balances from affiliate companies.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.1.12 Credit risk relating to cash in hand and bank balance

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

11.2 Liquidity risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its short and medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including debentures, bank loans, loan notes, overdrafts and finance leases over a broad spread of maturities.

11.2.1 Net debt/(cash)

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	2025	**2026**	2025
Short term investments	93,942,989	90,411,476	58,006,522	61,799,205
Cash in hand and at bank	20,436,001	15,146,008	475,166	495,140
Adjustments to liquid assets	(13,510,543)	(11,388,804)	-	-
Total liquid assets	**100,868,447**	**94,168,680**	**58,481,688**	**62,294,345**
Interest-bearing loans and borrowings (Non-current)	108,270,984	137,120,024	52,457,619	72,926,884
Lease liabilities (Non-current)	31,485,966	27,399,695	89,988	101,101
Short term borrowings	54,863,125	15,518,937	25,128,574	4,100,000
Interest-bearing loans and borrowings (Current)	30,893,500	26,673,221	13,612,974	14,514,447
Lease liabilities (Current)	3,431,084	2,632,051	11,113	8,038
Bank overdrafts	44,053,866	31,098,674	16,646,117	5,213,163
Total liabilities	**272,998,525**	**240,442,602**	**107,946,385**	**96,863,633**
Net debt / (cash)	**172,130,078**	**146,273,922**	**49,464,697**	**34,569,288**

11.2.2 Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach.

The Group has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units matched cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2026 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	39,105,592	32,925,361	30,167,143	23,700,369	47,318,779	-	173,217,244
Lease liabilities	6,082,309	8,129,165	5,745,376	4,249,593	6,339,959	30,327,372	60,873,774
Trade and other payables	67,832,657	-	-	-	-	-	67,832,657
Amounts due to related parties	788,691	-	-	-	-	-	788,691
Short term borrowings	54,863,125	-	-	-	-	-	54,863,125
Bank overdrafts	44,053,866	-	-	-	-	-	44,053,866
	212,726,240	41,054,526	35,912,519	27,949,962	53,658,738	30,327,372	401,629,357

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	38,328,712	87,965,477	29,552,059	20,464,464	15,580,932	4,909,456	196,801,100
Lease liabilities	4,898,686	4,846,772	4,686,590	4,734,661	3,378,050	29,929,156	52,473,915
Trade and other payables	66,727,203	-	-	-	-	-	66,727,203
Amounts due to related parties	541,657	-	-	-	-	-	541,657
Short term borrowings	15,518,937	-	-	-	-	-	15,518,937
Bank overdrafts	31,098,674	-	-	-	-	-	31,098,674
	157,113,869	92,812,249	34,238,649	25,199,125	18,958,982	34,838,612	363,161,486

Maturity analysis - Company

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2026 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	17,716,148	19,703,645	20,021,920	15,554,032	4,942,142	-	77,937,887
Lease liability	22,912	23,103	25,203	25,413	27,724	18,482	142,837
Trade and other payables	882,256	-	-	-	-	-	882,256
Amounts due to related parties	71,772	-	-	-	-	-	71,772
Short term borrowings	25,128,574	-	-	-	-	-	25,128,574
Bank overdrafts	16,646,117	-	-	-	-	-	16,646,117
	60,467,779	19,726,748	20,047,123	15,579,445	4,969,866	18,482	120,809,443

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2025 based on contractual undiscounted (principal plus interest) payments.

In Rs.'000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	20,473,706	22,485,062	25,725,485	19,484,617	14,998,644	4,657,840	107,825,354
Lease liability	21,002	22,912	23,103	27,303	25,623	43,896	163,839
Trade and other payables	538,055	-	-	-	-	-	538,055
Amounts due to related parties	96,333	-	-	-	-	-	96,333
Short term borrowings	4,100,000	-	-	-	-	-	4,100,000
Bank overdrafts	5,213,163	-	-	-	-	-	5,213,163
	30,442,259	22,507,974	25,748,588	19,511,920	15,024,267	4,701,736	117,936,744

11.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises of the following types of risk:

- Interest rate risk
- Currency risk
- Equity price risk
- Commodity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2026 and 2025.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations, provisions, and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the Statement of Financial Position item mainly relates to derivatives and debt instruments.
- The sensitivity of the relevant Income Statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2026 and 2025.

11.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

To manage the exposure of floating interest rates which is common to most loans, the Group enters into interest rate swaps, where necessary and applicable, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates while interest rate swap agreements are in place for a significant portion of the Group's foreign currency borrowing portfolio.

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

For the year ended 31 March	Increase/ (decrease) in basis points		GROUP	COMPANY
	Rupee borrowings	Other currency borrowings	Effect on profit before tax Rs.'000s	
2026	+31	+69	(830,798)	(372,327)
	-31	-69	830,798	372,327
2025	+342	+98	(2,783,358)	(1,770,852)
	-342	-98	2,783,358	1,770,852

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base floating interest rates.

11.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. The Group treasury analyses the market condition of foreign exchange and provides market updates to the Group Executive Committee (GEC), with the use of external consultants' advice. Based on the suggestions made by the Group treasury the GEC takes decisions on whether to hold, sell, or make forward bookings of foreign currency as per decision rights given by Board of Directors.

11.3.2.1 Effects of currency translation

For purposes of Group consolidated financial statements, income and expenses and assets and liabilities of subsidiaries whose functional currency differs from the Group presentation currency are translated into the Group presentation currency. Therefore, period-to-period changes in average exchange rates may cause currency translation effects that have a significant impact on, for example, revenue, segment results (Earnings Before Interest and Taxes –EBIT) and assets and liabilities of the Group. Unlike exchange rate transaction risk, exchange rate translation risk does not necessarily affect future cash flows. The Group's equity position reflects changes in book values caused by exchange rates.

For the year ended 31 March	Increase/(decrease) in exchange rate USD	GROUP		COMPANY	
		Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s	Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s
2026	+5.2%	(2,922,031)	5,355,325	803,206	83,258
	-5.2%	2,922,031	(5,355,325)	(803,206)	(83,258)
2025	+1.48%	(1,064,186)	1,654,588	172,289	32,975
	-1.48%	1,064,186	(1,654,588)	(172,289)	(32,975)

Assumptions

The assumed spread of the exchange rate is based on the current observable market environment.

The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. At a Group level, the translation risk on foreign currency debt is largely hedged "naturally" because of the conscious strategy of maintaining US Dollar cash balances at the holding company whilst also ensuring obligations can be managed through US Dollar denominated revenue streams.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

11.3.3 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

11.3.3.1 Financial assets at fair value through profit and loss

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

	GROUP			
	2026		2025	
As at 31 March	Rs.'000s	%	Rs.'000s	%
Banks	1,949,839	20%	895,601	12%
Capital Goods	3,037,678	31%	2,437,844	32%
Consumer Durables & Apparel	584,049	6%	875,364	11%
Consumer Services	129,020	1%	38,160	0%
Diversified Financials	592,185	6%	445,142	6%
Food & Staples Retailing	-	-	1,375	0%
Food Beverage & Tobacco	1,123,153	11%	592,922	8%
Materials	901,134	9%	2,119,094	27%
Telecommunication Services	1,204,593	12%	294,637	4%
Household & Personal Products	37,578	0%	-	-
Real Estate	332,848	4%	-	-
	9,892,077	100%	7,700,139	100%

11.3.3.2 Financial instruments at fair value through other comprehensive income statement

All unquoted equity investments are made after obtaining Board of Directors approval.

11.3.3.3 Sensitivity analysis

The table demonstrates the sensitivity to a reasonably possible change in the market index, with all other variables held constant, of the Group and Company's profit before tax and equity due to changes in the fair value of the listed equity securities.

		GROUP	
For the year ended 31 March	Change in year-end market price index	Effect on profit before tax Rs.'000s	Effect on equity Rs.'000s
2026	+27%	2,676,929	-
	-27%	(2,676,929)	-
2025	+29%	2,233,040	-
	-29%	(2,233,040)	-

11.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back of shares.

	GROUP		COMPANY	
As at 31 March	2026	2025	2026	2025
Debt / Equity	62.1%	57.4%	43.7%	39.8%

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares - Note 28.1
- Property, plant and equipment under revaluation model - Note 22.3
- Investment properties - Note 24
- Financial Instruments (including those carried at amortised cost) - Note 13

Accounting policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

The services of external valuers are obtained for valuation of significant assets, such as land and building and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

12. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES (CONTD.)

12.1 Fair value measurement hierarchy - Group

The Group held the following financial instruments carried at fair value in the Statement of Financial Position:

In Rs.'000s		Level 1		Level 2		Level 3		Total	
As at 31 March		2026	2025	2026	2025	2026	2025	2026	2025
FINANCIAL ASSETS									
Non-listed equity investments		-	-	280	280	40,304	44,055	40,584	44,335
Listed equity investments		10,459,878	7,807,619	242	139	-	-	10,460,120	7,807,758
Quoted debt instruments		34,986,032	22,579,505	120,581	149,513	-	-	35,106,613	22,729,018
Unquoted debt instruments		-	-	20,029	14,647	-	-	20,029	14,647
Interest rate swap		-	-	1,611,295	2,228,046	-	-	1,611,295	2,228,046
Total		45,445,910	30,387,124	1,752,427	2,392,625	40,304	44,055	47,238,641	32,823,804
NON FINANCIAL ASSETS									
Assets measured at fair value	Note								
Land and buildings	22.1	-	-	-	-	274,198,236	240,435,249	274,198,236	240,435,249
Buildings on leasehold land		-	-	-	-	44,915,673	30,272,270	44,915,673	30,272,270
Investment properties	24	-	-	-	-	56,524,341	31,382,118	56,524,341	31,382,118
Total		-	-	-	-	375,638,250	302,089,637	375,638,250	302,089,637

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

All the other financial instruments were properly categorised and during the period were not materially different from the transaction prices at the date of initial recognition. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income fair valuation was done as of 31 March 2026.

Financial assets at fair value through Profit and loss

There may be an increase in the amount of subjectivity involved in fair value measurements, and as such, a greater use of unobservable inputs will be required because relevant observable inputs are no longer available. This will have a direct impact to the policyholder profit or loss where diversification of the portfolio with the unaffected and growing industries will mitigate the risk.

12.2 Fair value measurement hierarchy - Company

In Rs.'000s	Level 2		Level 3	
As at 31 March	2026	2025	2026	2025
FINANCIAL ASSETS				
Non-listed equity investments	-	-	31,331	35,181
Interest rate swap	1,611,295	2,228,046	-	-
	1,611,295	2,228,046	31,331	35,181

12.3 Reconciliation of fair value measurements of level 3 financial instruments

The Group and Company carries unquoted equity shares are classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below:

	GROUP	COMPANY
In Rs.'000s	Fair value through other comprehensive income	
As at 1 April 2025	44,055	35,181
Remeasurement recognised in OCI	(3,751)	(3,850)
As at 31 March 2026	40,304	31,331

Fair valuation done as at 31 March 2026 for all unquoted equity shares are classified as Level 3 within the fair value hierarchy using fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES

Accounting policy

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and short term investments.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

Equity Instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as financial assets at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as finance income in the statement of profit or loss when the right of payment has been established.

Dividends received from equity instruments have been disclosed in Note 17.

Financial assets - derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

Based on the nature of the sector and the company, the Group is using appropriate and company specific LGD's and PD's when calculating the expected credit loss.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income statement.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting - Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

13.1 Financial assets and liabilities by categories in accordance with SLFRS 9

GROUP

In Rs.'000s	Financial assets at amortised cost		Financial assets at fair value through OCI	
As at 31 March	2026	2025	2026	2025
Financial instruments in non-current assets/non-current liabilities				
Non-current financial assets / liabilities	60,644,942	59,366,819	32,243,648	17,068,697
Interest-bearing loans and borrowings	-	-	-	-
Leases liabilities	-	-	-	-
Financial instruments in current assets / current liabilities				
Trade and other receivables / payables	45,494,063	31,807,731	-	-
Amounts due from / due to related parties	617,166	580,135	-	-
Short term investments / borrowings	80,759,602	77,033,027	2,651,178	5,466,869
Cash in hand and at bank	20,436,001	15,146,008	-	-
Interest-bearing loans and borrowings	-	-	-	-
Leases liabilities	-	-	-	-
Bank overdrafts	-	-	-	-
Total	207,951,774	183,933,720	34,894,826	22,535,566

13.2 Financial assets and liabilities by categories in accordance with SLFRS 9

COMPANY

In Rs.'000s	Financial assets at amortised cost		Financial assets at fair value through OCI	
As at 31 March	2026	2025	2026	2025
Financial instruments in non-current assets/non-current liabilities				
Non-current financial assets / liabilities	1,767,785	2,347,921	31,331	35,181
Interest-bearing loans and borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Financial instruments in current assets/current liabilities				
Trade and other receivables / payables	478,313	711,855	-	-
Amounts due from / due to related parties	918,741	840,848	-	-
Short term investments / borrowings	58,006,522	61,799,205	-	-
Cash in hand and at bank	475,166	495,140	-	-
Interest-bearing loans and borrowings	-	-		-
Lease liabilities	-	-	-	-
Bank overdrafts	-	-		-
Total	61,646,527	66,194,969	31,331	35,181

The management assessed that, cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Fair value of quoted equities, debentures and bonds is based on price quotations in an active market at the reporting date.

	Financial assets at fair value through profit or loss		Total		Financial liabilities measured at amortised cost/fair value	
	2026	2025	2026	2025	2026	2025
	200,213	148,612	93,088,803	76,584,128	-	-
	-	-	-	-	108,270,984	137,120,024
	-	-	-	-	31,485,966	27,399,695
	-	-	45,494,063	31,807,731	67,832,657	66,727,203
	-	-	617,166	580,135	788,691	541,657
	10,532,209	7,911,580	93,942,989	90,411,476	54,863,125	15,518,937
	-	-	20,436,001	15,146,008	-	-
	-	-	-	-	30,893,500	26,673,221
	-	-	-	-	3,431,084	2,632,051
	-	-	-	-	44,053,866	31,098,674
	10,732,422	8,060,192	253,579,022	214,529,478	341,619,873	307,711,462

	Total		Financial liabilities measured at amortised cost/fair value	
	2026	2025	2026	2025
	1,799,116	2,383,102	-	-
	-	-	52,457,619	72,926,884
	-	-	89,988	101,101
	478,313	711,855	882,256	538,055
	918,741	840,848	71,772	96,333
	58,006,522	61,799,205	25,128,574	4,100,000
	475,166	495,140	-	-
	-	-	13,612,974	14,514,447
	-	-	11,113	8,038
	-	-	16,646,117	5,213,163
	61,677,858	66,230,150	108,900,413	97,498,021

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of the unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

13. FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

13.3 Derivative financial instruments

	GROUP				COMPANY			
Cash-flow hedges	Contract notional amount in USD '000s		Fair value In Rs.'000s		Contract notional amount in USD '000s		Fair value In Rs.'000s	
As at 31 March	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Interest rate swap - Derivative asset	100,000	100,000	1,611,295	2,228,046	100,000	100,000	1,611,295	2,228,046

Accounting judgements, estimates and assumptions

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES TO THE INCOME STATEMENT, STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

14. REVENUE

Accounting policy

14.1 Total revenue

14.1.1 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

Services transferred over time

Under SLFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

14.1.2 Revenue from insurance contracts

Revenue from insurance contracts comprise of gross written premiums net of premium ceded to reinsurers.

14.2 Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on timing of revenue recognition and geographical region in the operating segment information section.

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2026**	2025	**2026**	2025
Timing of revenue recognition					
Goods transferred at a point in time		426,634,702	238,620,799	-	-
Services transferred over time		77,303,580	57,808,567	3,847,701	3,180,195
Total revenue from contracts with customers	14.1.1	503,938,282	296,429,366	3,847,701	3,180,195
Revenue from insurance contracts	14.1.2	24,912,411	20,948,360	-	-
Total revenue		528,850,693	317,377,726	3,847,701	3,180,195

For the better understanding of the Industry segment revenue, please refer Note 8.3 - 8.5 Business Segment analysis - Disaggregation of revenue.

14.3 Reconciliation of revenue

Reconciliation between revenue from contracts with customers and revenue for each reportable segment has been provided in the operating segment information section.

14.4 Contract balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

		GROUP			
		Contract balances		Performance obligations satisfied	
As at / for the year ended 31 March **In Rs.'000s**	Note	**2026**	2025	**2026**	2025
Contract assets		208,620	350,470	350,470	257,885
Contract liabilities					
Other non current liabilities	39	84,428	414,610	378,522	316,549
Trade and other payables	40	956,278	281,436	281,436	179,618
Other current liabilities	42	8,130,394	2,839,026	2,828,013	2,623,517
		9,171,100	3,535,072	3,487,971	3,119,684

14.5 Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Transportation

This operating segment provides an array of transportation related services, which primarily include a marine bunkering business, shipping, logistics and air transportation multinationals as well as travel and airline services. In providing airline services, net revenue is recognised at a point in time upon the sale of tickets as the entity is deemed as the agent. Total transaction price is comprised of cost and commission which is equal to the total ticketing service fee.

In providing Marine Services, the principal activity of the entity is to supply bunker services to their customers, in exchange for a bunker fee. The performance obligation can be termed as bunkering services. Revenue is recognised at a point in time, upon supply of the bunker to the vessels. Transaction price shall comprise of cost and mark up which is equal to total bunkering fee.

Consumer Foods

Consumer Foods segment focuses on manufacturing of a wide range of beverages, frozen confectionery, processed meat and dairy products. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognition.

14. REVENUE (CONTD.)

Retail

The Retail segment focuses on modern organised retailing through a chain of supermarkets. The office automation business comprises of distribution of printers, copiers, smartphones and other office automation equipment. New energy vehicle business comprises of Importing and selling New Energy Vehicles and providing after sales services.

Revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Customers who purchase from outlets may enter the entity's customer loyalty programme and earn points that are redeemable against future purchases of the entity's products. The entity will allocate a portion of the transaction price to the loyalty programme based on relative standalone selling price.

Customers purchasing vehicles are entitled to free services, and the entity allocates part of the transaction price to these services based on relative standalone prices.

Leisure

Leisure segment comprises of city hotels, resort hotels, as well as destination management business.

The revenue for providing the services are usually recognised at or after the guests' departure, over the period of stay or at the point of arrival of guests. The entity identifies the services under each contract as one performance obligation. The revenue is accounted based on the output method. Since revenue will be based on the final good or service provided, the output method will provide a faithful depiction in recognising revenue.

In providing destination management services, the entity acts as the principal. Customer receives and consumes the benefits of the entity's performance, as and when the service is performed. Therefore, revenue is recognised at gross over the period, based on the output method. The timing and the amount of cash flow will vary according to the agreements.

Transaction price shall comprise of supplier fee and company mark-up, summing up to be the Gross Service fee. The advance payments are recognised as a liability. Upon provision of the services, the liability is set off and revenue is recognised over the period.

Property

Property industry group concentrates on property development and property management.

At inception of the contract, the entity determines whether it satisfies the performance obligation over time or at a point in time. Timing and amount of cash flow will be determined according to the agreement.

Financial Services

Financial Services provides a complete range of financial solutions including commercial banking, life insurance, stock broking, debt trading, fund management and leasing. The services under one contract can be identified as one performance obligation.

Entity determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the entity recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The output method will provide a faithful depiction in recognising revenue.

Others

Others represents companies in the Plantation Industry, Information Technology, Management and Investments companies. The main streams of revenue; Management fees, BPO service fees and Consultancy fees, are recognised over a period of time, depending on service level agreements.

Some contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Remaining performance obligations

The Group applies the practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 March 2026.

15. DIVIDEND INCOME

Accounting policy

Dividend

Dividend income is recognised when right to receive the payment is established.

For the year ended 31 March **In Rs.'000s**	COMPANY **2026**	 **2025**
Dividend income from investments in subsidiaries, associates and joint ventures	13,847,203	10,696,939

16. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting policy

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments in subsidiaries, joint ventures and associates, are accounted in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

Any losses arising from guaranteed rentals are accounted for, in the year of incurring the same. A provision is recognised if the projection indicates a loss.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

16.1 Other operating income

For the year ended 31 March **In Rs.'000s**	GROUP **2026**	 **2025**	COMPANY **2026**	 **2025**
Promotional income and commission fee	3,512,125	2,634,951	-	-
Exchange gains	1,183,855	11,979	-	-
Profit on sale of property, plant and equipment, intangible assets and investment properties	-	211,797	22,094	23
Profit on sale of subsidiaries	1,263,879	-	317,409	-
Profit on sale of equity accounted investee	273,264	-	-	-
Sundry income	1,713,675	1,218,001	112,536	133,248
	7,946,798	4,076,728	452,039	133,271

16.2 Other operating expenses

For the year ended 31 March **In Rs.'000s**	GROUP **2026**	 **2025**	COMPANY **2026**	 **2025**
Provisions and impairment of losses	-	-	4,094	265,977
Loss on sale of property, plant and equipment	52,745	-	-	-
Heat, light and power	2,303,732	2,304,057	-	-
Other overheads	7,872,451	6,000,767	126,153	129,649
	10,228,928	8,304,824	130,247	395,626

The Company balance for the last year includes an impairment on the investments in subsidiaries, Mack International Freight (Pvt) Ltd and Keells Realtors Limited.

17. NET FINANCE INCOME

Accounting policy

Finance income

Finance income comprises of interest income on funds invested including interest income from the life insurance fund of Union Assurance PLC, dividend income, gains on the disposal of fair value through OCI financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquiree that are recognised in the income statement and exchange gains from financial instruments designated for financing activities.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of fair value through OCI financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement and exchange losses arised from financial instruments designated for financing activities.

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2026**	**2025**	**2026**	**2025**
Net finance income					
Finance income					
Interest income	17.1	18,295,896	17,436,906	4,302,228	4,781,593
Dividend income on					
Financial assets at fair value through profit or loss		239,293	241,469	-	-
Financial assets at fair value through other comprehensive income		1,546	5,771	1,546	4,613
Realised gains on financial assets at fair value through profit or loss		1,003,357	964,442	-	-
Unrealised gains on financial assets at fair value through profit or loss		1,404,800	1,213,593	-	-
Investment related direct expenses		(215,904)	(127,559)	-	-
Exchange gains		-	876,094	846,187	20,415
Total finance income		20,728,988	20,610,716	5,149,961	4,806,621
Finance cost					
Interest expense on borrowings		(19,219,373)	(14,263,720)	(8,841,336)	(8,347,189)
Finance charge on lease liabilities	23.1.2	(2,705,251)	(2,379,855)	(12,964)	(13,868)
Finance charge on convertible debentures		-	(1,799,073)	-	(1,799,073)
Exchange losses		(3,010,676)	-	-	-
Total finance cost		(24,935,300)	(18,442,648)	(8,854,300)	(10,160,130)
Net finance income/(expense)		(4,206,312)	2,168,068	(3,704,339)	(5,353,509)

17.1 Interest income

For the year ended 31 March **In Rs.'000s**	GROUP **2026**	 **2025**
Interest income from Union Assurance PLC	12,699,930	11,789,673
Interest income of the Group excluding Union Assurance PLC	5,595,966	5,647,233
Total interest income	18,295,896	17,436,906

18. PROFIT BEFORE TAX

Accounting policy

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

For the year ended 31 March **In Rs.'000s**	GROUP **2026**	 **2025**	COMPANY **2026**	 **2025**
Profit before tax				
Profit before tax is stated after charging all expenses including the following;				
Remuneration to executive directors	1,324,236	931,327	482,911	348,778
Remuneration to non executive directors	100,162	97,569	34,160	30,020
Costs of defined employee benefits				
Defined benefit plan cost	784,591	760,178	63,484	65,543
Defined contribution plan cost - EPF and ETF	2,727,971	2,198.780	190,948	160,431
Other long term employee benefits cost	-	(22,400)	-	-
Staff expenses	37,098,872	30,775,745	2,122,158	1,691,329
Share based payments	517,982	416,388	157,367	120,786
Auditors' remuneration				
Audit	91,858	86,038	16,228	13,890
Non-audit	20,792	30,620	14,543	23,554
Depreciation of property, plant and equipment	13,495,442	9,024,428	35,010	43,440
Amortisation of intangible assets	1,634,004	1,227,761	284,835	38,226
Amortisation of right of use assets	4,205,695	3,825,874	15,446	15,447
Provisions and impairment losses	-	-	4,094	265,977
(Profit)/loss on sale of property, plant and equipment and intangible assets	52,745	(211,797)	(22,094)	(23)
Donations	271,788	63,647	-	-

19. EARNINGS PER SHARE

Accounting policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for outstanding share options) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

19. EARNINGS PER SHARE (CONTD.)

19.1 Basic earnings per share

For the year ended 31 March **In Rs.'000s**	Note	GROUP **2026**	GROUP **2025**
Profit attributable to equity holders of the parent		13,639,565	5,326,374
Weighted average number of ordinary shares	19.3	17,672,095	16,727,676
Basic earnings per share		0.77	0.32

19.2 Diluted earnings per share

Profit attributable to equity holders of the parent		13,639,565	5,326,374
Adjusted weighted average number of ordinary shares	19.3	17,717,343	16,766,926
Diluted earnings per share		0.77	0.32

19.3 Amount used as denominator

For the year ended 31 March **Number of shares** **In '000s**	GROUP **2026**	GROUP **2025**
Ordinary shares at the beginning of the year	17,624,630	1,498,820
Effect of conversion of convertible debentures	-	269,844
Bonus element on right issue	-	3,551
Sub division of ordinary shares	-	14,876,096
Effect of share options and rights exercised	47,465	79,365
Weighted average number of ordinary shares in issue before dilution	17,672,095	16,727,676
Effects of dilution from:		
Share option scheme	45,248	39,250
Adjusted weighted average number of ordinary shares	17,717,343	16,766,926

20. DIVIDEND PER SHARE

For the year ended 31 March	COMPANY 2026 Rs	COMPANY 2026 In Rs.'000s	COMPANY 2025 Rs	COMPANY 2025 In Rs.'000s
Equity dividend on ordinary shares declared and paid during the year				
Final dividend (Previous years' final dividend paid in the current year)	0.05	881,555	0.50*	749,818
Interim dividends	0.20	3,538,073	0.10	1,707,265
Total dividend	0.25	4,419,628	0.60	2,457,083

* The dividend per share of 50 cents is prior to the sub-division of shares in ratio of 10 shares for every one share held.

21. TAXES

Accounting policy

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanisms.

The Group has complied with the arm's length principles relating to transfer pricing as prescribed in the Inland Revenue Act.

Deferred tax
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 recognised for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred income tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deducible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability has been recognised in the companies which are enjoying the Board of Investment (BOI) tax holiday period, if there are no qualifying assets or liabilities beyond the tax holiday period.

Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on the purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

IFRIC interpretation 23 uncertainty over income tax treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

21. TAXES (CONTD.)

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions and Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

21.1 Tax expense

		GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	Note	**2026**	**2025**	**2026**	**2025**
Income statement					
Current tax charge	21.5	14,215,663	6,628,458	-	-
(Over)/Under provision of current tax of previous years		564,624	(32,251)	-	-
Irrecoverable tax (economic service charge and remittance tax)	21.7	15,213	104,940	6,632	6,828
Deferred tax charge/(reversal)					
Relating to origination and reversal of temporary differences	21.2	810,608	1,255,926	104,182	146,293
	21.6	15,606,108	7,957,073	110,814	153,121
Other comprehensive income					
Deferred tax charge/(reversal)					
Relating to origination and reversal of temporary differences	21.2	1,130,700	958,799	-	-
		1,130,700	958,799	-	-

21.2 Deferred tax expense

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Income statement				
Deferred tax expense arising from;				
Accelerated depreciation for tax purposes	731,548	51,936	73,535	(1,150)
Revaluation of investment properties to fair value	659,069	3,580	-	-
Retirement benefit obligations	(99,295)	(53,387)	(10,615)	(2,585)
Reversal / (Benefits) arising from tax losses	279,980	1,088,770	-	-
Unrealised capital gains/others	(760,694)	165,027	41,262	150,028
Deferred tax charged/(reversal) directly to Income Statement	810,608	1,255,926	104,182	146,293
Other comprehensive income				
Deferred tax expense arising from;				
Actuarial losses on defined benefit obligations	133,001	132,652	-	-
Revaluation of land and building to fair value	997,699	826,147	-	-
Deferred tax charged/(reversal) directly to OCI	1,130,700	958,799	-	-

Temporary differences associated with the undistributed reserves in subsidiaries for which a deferred tax liability has not been recognised, amounts to Rs.3,204 Mn (2025 - Rs.2,120 Mn). The deferred tax effect on undistributed reserves of subsidiaries has not been recognised since the parent can control the timing of the reversal of these temporary differences.

21.3 Income tax liabilities

As at 31 March **In Rs.'000s**	GROUP		COMPANY	
	2026	**2025**	**2026**	**2025**
At the beginning of the year	1,976,863	1,824,765	258,214	258,214
Charge for the year	14,780,287	6,596,207	-	-
Payments and set off against refunds	(11,398,359)	(6,444,109)	-	-
At the end of the year	5,358,791	1,976,863	258,214	258,214

21.4 Deferred tax

As at 31 March **In Rs.'000s**	GROUP				COMPANY	
	ASSETS		LIABILITIES		LIABILITIES	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
At the beginning of the year	1,476,180	1,716,261	23,204,978	21,222,258	2,988,277	2,841,984
Acquisition of a subsidiary	94,630	-	-	-	-	-
Change in business combination	174,463	-	-	-	-	-
Disposal of subsidiaries	-	-	(830,894)	-	-	-
Charge and release	7,551	(356,467)	1,759,294	1,858,258	104,182	146,293
Transfers / exchange differences	8,286	116,386	175,717	124,462	-	-
At the end of the year	1,761,110	1,476,180	24,309,095	23,204,978	3,092,459	2,988,277
The closing deferred tax asset and liability balances relate to the following;						
Revaluation of land and buildings to fair value	(534,404)	(705,879)	13,787,541	14,165,015	-	-
Revaluation of investment properties to fair value	-	-	2,795,984	715,280	-	-
Accelerated depreciation for tax purposes	(595,454)	(609,895)	4,970,365	4,890,667	84,126	12,639
Employee benefit liability	283,134	209,720	(510,817)	(602,387)	(110,665)	(100,050)
Losses available for offset against future taxable income	1,412,380	1,431,982	(534,494)	(343,996)	-	-
Net gain / loss on fair value through OCI	-	72,873	-	-	-	-
Unrealised capital gains / others	1,195,454	1,077,379	3,800,516	4,380,399	3,118,998	3,075,688
	1,761,110	1,476,180	24,309,095	23,204,978	3,092,459	2,988,277

On 13 March 2026, the Supreme Court of Sri Lanka delivered its judgment in respect of appeals filed by Lanka Marine Services (Pvt) Ltd against certain income tax and Value Added Tax (VAT) assessments issued by the Commissioner General of Inland Revenue. The Supreme Court, in a 2:1 majority ruling, dismissed these appeals.

While sufficient tax provisions had already been recognised in the financial statements to cover the exposures arising from the above assessments, the Company recognised an additional provision of Rs.1,258 Mn in the income statement during the financial year, as a measure of prudence, in relation to certain other assessment periods. This additional provision covers potential exposures for such assessment periods, which remain under appeal. Contingent liability related disclosures can be found in Note 44.

A deferred tax liability for the Group amounting to Rs.1,185 Mn (2025 – Rs.955 Mn) has been recognised based on the impact of declared dividends of subsidiaries and the Group's portion of distributable reserves of equity accounted investees.

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgement was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

21. TAXES (CONTD.)

21.4 Deferred tax (Contd.)

The Group has contingent tax liability amounting to Rs.3,166 Mn (2025 - Rs.3,076 Mn). These have been arrived at after discussing with legal and tax experts and based on information available. All assumptions are revisited as of the reporting date.

21.5 Reconciliation between current tax charge and the accounting profit

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Profit before tax	37,687,616	14,881,337	7,776,518	3,671,464
Dividend income from Group companies	19,759,998	19,705,471	-	-
Share of results of equity accounted investees (net of tax)	(11,981,197)	(10,778,954)	-	-
Other consolidation adjustments	537,921	10,421	-	-
Profit after adjustments	46,004,338	23,818,275	7,776,518	3,671,464
Exempt (profits) / losses	3,626,671	3,488,358	-	-
Income not liable for income tax	(6,790,447)	(4,183,336)	(4,541,293)	(3,294,489)
Resident dividend	(14,851,781)	(14,393,424)	(13,847,203)	(10,678,779)
Adjusted accounting profit chargeable to income taxes	27,988,781	8,729,873	(10,611,978)	(10,301,804)
Disallowable expenses	27,676,492	32,356,274	8,540,910	8,675,735
Allowable expenses	(24,337,312)	(20,333,603)	(3,454,271)	(1,316,358)
Utilisation of tax losses	(2,468,616)	(3,743,772)	-	-
Current year tax losses not utilised	5,880,409	4,108,022	5,525,339	2,942,427
Qualifying payment deductions	(34,267)	(8,853)	-	-
Taxable income	34,705,487	21,107,941	-	-
Income tax charged at:				
Standard rate	13,193,494	6,509,580	-	-
Other concessionary rates	1,022,169	118,878	-	-
Current tax charge	14,215,663	6,628,458	-	-

21.6 Reconciliation between tax expense and the product of accounting profit

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Adjusted accounting profit chargeable to income taxes	27,988,781	8,729,873	(10,611,978)	(10,301,804)
Tax effect on chargeable profits	10,538,926	4,386,482	104,182	146,293
Tax effect on non deductible expenses	701,671	672,346	-	-
Tax effect on deductions claimed	(1,756,702)	(311,761)	-	-
Net tax effect of unrecognised deferred tax assets for the year	5,292,796	3,089,478	-	-
Under/(over) provision for previous years	564,624	(32,251)	-	-
Deferred tax due to carried forward tax losses	20,592	47,839	-	-
Other income based taxes:				
Irrecoverable tax (economic service charge and remittance tax)	15,213	104,940	6,632	6,828
Deferred tax on withholding tax of affiliated companies dividends	228,988	-	-	-
Tax expense	15,606,108	7,957,073	110,814	153,121

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

21.7 Irrecoverable tax (economic service charge and remittance tax)

For the year ended 31 March In Rs.'000s	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Irrecoverable tax (economic service charge and remittance tax)	15,213	104,940	6,632	6,828
	15,213	104,940	6,632	6,828

21.8 Tax losses carried forward

For the year ended 31 March In Rs.'000s	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Tax losses brought forward	13,912,642	14,456,443	3,136,502	1,230,471
Adjustments on finalisation of liability	(140,500)	2,386,193	-	-
Time barred tax losses	(1,958,417)	-	-	-
Tax losses arising during the year	6,327,210	813,778	4,942,950	1,906,031
Utilisation of tax losses	(2,468,616)	(3,743,772)	-	-
	15,672,319	13,912,642	8,079,452	3,136,502

The Group has tax losses amounting to Rs.15,672 Mn (2025 - Rs.13,913 Mn) are available to offset against future taxable profits of the companies in which the tax losses arose.

21.9 Applicable rates of income tax

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

COMPANY / SECTOR	Basis	Exemptions or concessions	Period
Exemptions / concessions granted under the Inland Revenue Act			
Sancity Hotels & Properties Limited (Subsidiary of Capitol Hotel Holdings (Pvt) Ltd)	Construction and operation of a tourist hotel	Exempt	12 years from 1st year of profit or 2 years from operations
Cinnamon Hotel Management Limited	Export of services	15%	Open ended
Cinnamon Hotel Management International (Pvt) Ltd	- do -	- do -	- do -
Walkers Tours Limited	- do -	- do -	- do -
Whittall Boustead (Travels) Ltd	- do -	- do -	- do -
John Keells International (Pvt) Ltd	- do -	- do -	- do -
Infomate (Pvt) Ltd	- do -	- do -	- do -
John Keells Information Technology (Pvt) Ltd	- do -	- do -	- do -
Exemptions / concessions granted under the Board of Investment Law			
Asian Hotels and Properties PLC	Construction and operation of office, apartment complex and a hotel	2% of turnover	15 years from 1st April 2014
Beruwala Holiday Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	15%	Open ended from 1st April 2022
Waterfront Properties (Pvt) Ltd	Integrated super luxury tourist resort	Exempt	10 years from 1st year of profit or 3 years from operations

21. TAXES (CONTD.)

21.10 Income tax rates of off-shore subsidiaries

Country of incorporation	Company	Rate
India	John Keells Foods India (Pvt) Ltd	25%
Mauritius	John Keells BPO International (Pvt) Ltd	15%
	John Keells BPO Holdings (Pvt) Ltd	15%
Republic of Maldives	Fantasea World Investments (Pvt) Ltd	15%
	Travel Club (Pvt) Ltd	15%
	Tranquility (Pvt) Ltd	15%
	John Keells Maldivian Resorts (Pvt) Ltd	15%
	Mack Air Services Maldives (Pvt) Ltd	15%
Singapore	John Keells Singapore (Pte) Ltd	17% (Max)

22. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation. This is not applicable to buildings on leasehold land located in Maldives, given the finite life of the lease and the nature and type of buildings.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. The Group has adopted a policy of revaluing assets by professional valuers at least every 5 years, except for properties held for rental and occupied mainly by group companies, which are revalued by professional valuers at least every 3 years.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets is as follows:

Assets	Years
Buildings (other than hotels)	50
Hotel buildings	up to 100
Plant and machinery	10 - 25
Equipment	2 - 15
Furniture and fittings	2 - 15
Motor vehicles	4 - 10
Returnable containers	10
Vessels	10 - 25
Other	3 - 20

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of other comprehensive income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

22. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

22.1 Property, plant and equipment - Group

As at 31 March **In Rs.'000s**	Land and buildings	Buildings on leasehold land	Plant and machinery	Equipment, furniture and fittings
Cost or valuation				
At the beginning of the year	242,596,374	52,243,018	60,445,863	31,563,531
Additions	178,305	3,503,294	4,508,149	4,427,354
Change in business combination	-	316,068	126,196	113,766
Disposal of subsidiaries	(3,146,592)	(2,995)	(629,439)	(359,001)
Disposals	(196,950)	(29,212)	(294,324)	(1,493,909)
Revaluations	4,835,381	1,004,375	-	-
Transfers (from revaluation adjustment)	(2,290,493)	(1,322,506)	-	-
Transfers	33,994,924	260,663	152,078	(77,928)
Exchange differences	-	1,222,933	85,151	144,084
At the end of the year	275,970,949	57,195,638	64,393,674	34,317,897
Accumulated depreciation and impairment				
At the beginning of the year	(2,161,125)	(10,834,248)	(12,523,728)	(14,437,439)
Charge for the year	(2,150,176)	(2,282,202)	(3,473,892)	(3,373,358)
Change in business combination	-	(8,925)	(3,553)	(3,064)
Disposal of subsidiaries	239,647	42,419	382,915	268,281
Disposals	-	21,380	270,769	1,417,469
Transfers (from revaluation adjustment)	2,290,493	1,322,506	-	-
Transfers	8,448	155	(3,335)	62,641
Exchange differences	-	(529,827)	(52,090)	(81,163)
At the end of the year	(1,772,713)	(12,268,742)	(15,402,914)	(16,146,633)
Carrying value				
As at 31 March 2026	274,198,236	44,926,896	48,990,760	18,171,264
As at 31 March 2025	240,435,249	41,408,770	47,922,135	17,126,092

* Other category includes Freezers, Coolers, Crates, Base stocks, Circulation assets and Life style assets.

During the year 2025/2026 there was no depreciation capitalised as a part of the cost of other assets.

	Motor vehicles Freehold	Returnable containers	Others*	Vessels	Capital work in progress	**2026 Total**	**2025 Total**
	1,272,629	1,079,526	11,047,145	1,100,669	65,831,719	467,180,474	424,828,036
	1,754,704	40,812	1,772,508	153,036	2,332,817	18,670,979	47,052,335
	-	-	85	-	4,017	560,132	-
	(90,686)	-	(44,739)	-	(7,100)	(4,280,552)	-
	(47,385)	(1,790)	(383,067)	(119,730)	(6,291)	(2,572,658)	(1,668,982)
	-	-	-	-	-	5,839,756	2,840,491
	-	-	-	-	-	(3,612,999)	(998,707)
	-	-	73,129	-	(58,434,867)	(24,032,001)	(4,390,073)
	(1,496)	-	3,415	-	4,442	1,458,529	(482,626)
	2,887,766	1,118,548	12,468,476	1,133,975	9,724,737	459,211,660	467,180,474
	(761,819)	(826,414)	(5,795,845)	(542,239)	-	(47,882,857)	(41,839,502)
	(153,979)	(73,469)	(1,840,496)	(147,870)	-	(13,495,442)	(9,024,428)
	-	-	-	-	-	(15,542)	-
	76,228	-	24,656	-	-	1,034,146	-
	31,866	1,790	342,541	99,637	-	2,185,452	1,548,402
	-	-	-	-	-	3,612,999	998,707
	-	-	(8,216)	-	-	59,693	141,542
	7,428	-	2,368	-	-	(653,284)	292,422
	(800,276)	(898,093)	(7,274,992)	(590,472)	-	(55,154,835)	(47,882,857)
	2,087,490	220,455	5,193,484	543,503	9,724,737	404,056,825	
	510,810	253,112	5,251,300	558,430	65,831,719		419,297,617

22. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

22.2 Property, plant and equipment - Company

As at 31 March **In Rs.'000s**	Plant and machinery	Equipment, furniture and fittings	Motor vehicles	**2026 Total**	**2025 Total**
Cost					
At the beginning of the year	3,454	430,318	50,162	483,934	461,682
Additions	-	13,066	-	13,066	23,608
Disposals	-	(194,838)	-	(194,838)	(1,356)
At the end of the year	3,454	248,546	50,162	302,162	483,934
Accumulated depreciation and impairment					
At the beginning of the year	(3,206)	(343,618)	(40,232)	(387,056)	(344,097)
Charge for the year	(248)	(34,762)	-	(35,010)	(43,440)
Disposals	-	186,147	-	186,147	481
At the end of the year	(3,454)	(192,233)	(40,232)	(235,919)	(387,056)
Carrying value					
As at 31 March 2026	-	56,313	9,930	66,243	
As at 31 March 2025	248	86,700	9,930		96,878

22.3 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings, with the exception of the buildings on leasehold land located in Maldives, which amount to Rs.11,223 Mn (2025 - Rs.11,136 Mn). The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property.

These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The most recent revaluation was carried out on 31 December 2025.

The changes in fair value are recognised in other comprehensive income and in the statement of equity. The valuer has used valuation techniques such as market values and discounted cash flow methods.

Details of Group's land, building and other properties stated at valuation are indicated below;

Property	Name of the Chartered Valuation Surveyor	Method of valuation	Significant unobservable inputs			
			Estimated price per perch	Estimated price per square foot	Estimated discount rate	Correlation to fair value
Land and Building						
Asian Hotels & Properties PLC	P B Kalugalagedara	CMA	Rs.19,000,000 - Rs.22,000,000	Rs.3,500 - Rs.14,000	-	Positive
Beruwala Holiday Resorts (Pvt) Ltd	S Fernando	IA	Rs.1,150,000 - Rs.1,450,000	Rs.5,500 - Rs.9,350	9%	Negative
Ceylon Cold Stores PLC	L I Silva / G H A P K Fernando	CMA	Rs.100,000 - Rs.340,000	Rs.1,000 - Rs.10,800	9%	Negative
Ceylon Holiday Resorts Limited	S Fernando	CMA	Rs.600,000 - Rs.1,500,000	Rs.3,000 - Rs.4,500	-	Positive
Hikkaduwa Holiday Resort (Pvt) Ltd	-do-	CMA	Rs.1,250,000	Rs.1,750 - Rs.4,000	-	Positive
Kandy Walk Inn Limited	S Fernando	IA	Rs.25,000 - Rs.1,850,000	Rs.1,750 - Rs.10,000	9%	Negative
Keells Food Products PLC	L I Silva	DRC	Rs.53,000 - Rs.1,750,000	Rs.200 - Rs.22,000	-	Positive
Mackinnons Keells Limited	-do-	CMA	Rs.11,500,000	Rs.1,675	-	Positive
Trinco Holiday Resort (Pvt) Ltd	S Fernando	IA	Rs.500,000 - Rs.700,000	Rs.1,500 - Rs.6,750	9%	Negative
Union Assurance PLC	P B Kalugalagedara	CMA	Rs.9,000,000 - Rs.22,000,000	Rs.25,000 - Rs.50,000	-	Positive
Vauxhall Land Developments (Pvt) Ltd	-do-	CMA	Rs.17,500,000 - Rs.19,000,000	-	-	Positive
Waterfront Properties (Pvt) Ltd	-do-	CMA	Rs.17,500,000- Rs.23,000,000	Rs.60,000 - Rs.75,000		Positive
Buildings on leasehold land						
Ceylon Cold Stores PLC	L I Silva	CMA	-	Rs.600 - Rs.6,150	-	Positive
Ceylon Holiday Resorts Limited	S Fernando	IA	-	Rs.8,500 - Rs.17,000	9.5%	Negative
Habarana Lodge Limited	S Fernando	IA	-	Rs.1,000 - Rs.10,000	4%-9.65%	Negative
Habarana Walk Inn Limited	-do-	IA	-	Rs.2,500 - Rs.9,500	4%-9.65%	Negative
Hikkaduwa Holiday Resort (Pvt) Ltd	-do-	IA	-	Rs.4,500 - Rs.9,000	9.5%	Negative
Jaykay Marketing Service (Pvt) Ltd	P B Kalugalagedara	IA	-	Rs.25 - Rs.300	6%	Negative
John Keells Warehousing (Pvt) Ltd	L I Silva	DRC/IA	-	Rs.775 - Rs.9750	-	Positive
Keells Food Products PLC	-do-	DRC	-	Rs.160 - Rs.12,600	-	Positive
Logipark International (Pvt) Ltd	P B Kalugalagedara	IA	-	Rs.10,000 - Rs.16,000	6%	Negative
Rajawella Holdings Limited	-do-	CMA/DRC	-	Rs.1900 - Rs,9,500	-	Positive
The Colombo Ice Company (Pvt) Ltd	L I Silva	CMA	-	Rs.2,800 - Rs.9,900	-	Positive
Trans Asia Hotels PLC	P B Kalugalagedara	CMA	-	Rs.500 - Rs.13,000	-	Positive
Yala Village (Pvt) Ltd	S Fernando	IA	-	Rs.2,000 - Rs.9,250	9.5%	Negative

Effective date of valuation was 31 December 2025.

22. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

22.3 Revaluation of land and buildings (Contd.)

Summary description of valuation methodologies;

Comparable market approach (CMA)

This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Depreciated replacement cost (DRC)

The replacement cost method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Income approach (IA)

The income approach is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

22.4 The carrying amount of revalued land and buildings if they were carried at cost less depreciation and impairment, would be as follows;

	GROUP	
As at 31 March **In Rs.'000s**	**2026**	**2025**
Cost	228,271,415	51,394,355
Accumulated depreciation and impairment	(12,079,730)	(8,692,003)
Carrying value	216,191,685	42,702,352

22.5 Security on pledged assets, usage of fully depreciated assets and borrowing costs capitalised

		GROUP		COMPANY	
As at 31 March **In Rs. Mn.**	Note	**2026**	**2025**	**2026**	**2025**
Land and buildings with a carrying value have been pledged as security for term loans obtained	37.2	240,067	261,260	-	-
Motor vehicles with a carrying value have been pledged as security for term loans obtained	37.2	125	64	-	-
Cost of property, plant, and equipment that is fully depreciated but continues to be in use		17,128	16,150	107	892
Borrowing costs capitalised during the year		1,064	4,885	-	-

23. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset .

The Group uses 6 months AWPLR / SOFR based plus margin when calculating the incremental borrowing rate which reflects the average rate of borrowings in the Group. Quarterly calculated incremental borrowing rates were used to discount new leases obtained during the year.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

23.1 Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March.

23.1.1 Right of use assets

	GROUP				COMPANY	
In Rs.'000s	Lease hold properties	Other	Total	Total	Lease hold properties	Lease hold properties
As at 31 March			**2026**	**2025**	**2026**	**2025**
At the beginning of the year	49,236,943	42,741	49,279,684	48,692,617	106,839	122,286
Additions	6,050,380	79,217	6,129,597	1,937,811	-	-
Change in business combination	635,902	-	635,902	-	-	-
Acquisition of a subsidiary	88,100	-	88,100	-	-	-
Disposal of subsidiaries	(1,954)	(7,914)	(9,868)	-	-	-
Transfers	-	-	-	3,795,342	-	-
Modification adjustment	-	-	-	(715,797)	-	-
Disposals	(18,327)	-	(18,327)	(228,567)	-	-
Amortisation expense	(4,191,879)	(13,816)	(4,205,695)	(3,825,874)	(15,446)	(15,447)
Exchange differences	1,970,251	-	1,970,251	(375,848)	-	-
At the end of the year	53,769,416	100,228	53,869,644	49,279,684	91,393	106,839

Leasehold Properties with an aggregate carrying value of Rs.28,818 Mn (2025 - Rs.28,484 Mn) have been pledged as security against term loan facilities obtained by the Group.

23. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTD.)

23.1.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March.

As at 31 March In Rs.'000s	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	30,031,746	31,964,574	109,139	116,100
Additions	6,068,612	1,917,523	-	-
Change in business combination	643,311	-	-	-
Acquisition of a subsidiary	16,451	-	-	-
Disposal of subsidiaries	(6,160)	-	-	-
Transfers	(74,385)	(88,964)	-	-
Modification adjustment	-	(715,797)	-	-
Finance charge on lease liabilities	2,705,251	2,379,855	12,964	13,868
Disposals	(23,223)	(320,360)	-	-
Payments	(5,410,682)	(4,828,374)	(21,002)	(20,829)
Exchange differences	966,129	(276,711)	-	-
At the end of the year	34,917,050	30,031,746	101,101	109,139
Current	3,431,084	2,632,051	11,113	8,038
Non-current	31,485,966	27,399,695	89,988	101,101
Total lease liabilities as at 31 March	34,917,050	30,031,746	101,101	109,139
Following are the amounts recognised in income statement for the year ended 31 March				
Amortisation of right-of-use assets	4,205,695	3,825,874	15,446	15,447
Interest expense on lease liabilities	2,705,251	2,379,855	12,964	13,868
Total amount recognised in income statement	6,910,946	6,205,729	28,410	29,315

Expenses relating to short term leases and leases of low value assets amounting to Rs.1,084 Mn (2025 - Rs.833 Mn) and Rs.19 Mn (2025 - Rs.14 Mn) for the Group and the Company respectively was recognised in profit or loss.

24. INVESTMENT PROPERTIES

Accounting policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of investment properties includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to-day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are revaluated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2025.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

	GROUP	
As at 31 March **In Rs.'000s**	**2026**	**2025**
Carrying value		
At the beginning of the year	31,382,118	31,518,824
Additions	2,313	22,428
Disposal of a subsidiary	(813,202)	-
Transfers and disposals	23,653,284	(1,115,896)
Net gain in fair value during the year	2,299,828	956,762
At the end of the year	56,524,341	31,382,118
Freehold properties	56,206,673	30,254,894
Leasehold properties	317,668	1,127,224
	56,524,341	31,382,118
Following are the amounts recognised in income statement for the year ended 31 March		
Rental income earned	289,493	321,091
Direct operating expenses generating rental income	160,184	143,397
Direct operating expenses that did not generate rental income	-	-

Accounting judgments, estimates and assumptions

Fair value of the investment property is ascertained by independent valuations carried out by Chartered valuation surveyors, who have recent experience in valuing properties in similar locations and category. Investment property is appraised in accordance with LKAS 40, SLFRS 13 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC) by the independent valuers. In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

The changes in fair value are recognised in the Income Statement. The determined fair values of investment properties, using income approach, are most sensitive to the estimated yield as well as the long term occupancy rate.

24. INVESTMENT PROPERTIES (CONTD.)

Description of valuation techniques used and key inputs to valuation of investment properties:

Property	Name of the Chartered Valuation Surveyor	Method of valuation	Significant unobservable inputs			
			Estimated price per perch	Estimated price per square foot	Estimated discount rate	Correlation to fair value
Freehold property						
Ahungalla Holiday Resort Limited	S Fernando	CMA	Rs.480,000	-	-	Positive
Asian Hotels and Properties PLC	P B Kalugalagedara	IA	-	-	6%	Negative
Ceylon Cold Stores PLC	L I Silva	CMA	Rs.2,100,000	Rs.2,100	-	Positive
Facets (Pvt) Ltd	S Fernando	CMA	Rs.600,000	-	-	Positive
Glennie Properties (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.19,000,000	-	-	Positive
John Keells PLC	L I Silva	CMA	Rs.850,000- Rs.1,750,000	-	-	Positive
J K Thudella Properties (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.460,000	-	-	Positive
Resort Hotels Limited	S Fernando	CMA	Rs.135.000 - Rs.310,000	-	-	Positive
Trinco Walk Inn Limited	-do-	CMA	Rs.165.000 - Rs.425,000	-	-	Positive
Vauxhall Land Developments (Pvt) Ltd	P B Kalugalagedara	CMA	Rs.18,000,000 - Rs.19,000,000	-	-	Positive
Waterfront Properties (Pvt) Ltd	-do-	IA	-	-	6% - 7%	Negative
Whittall Boustead (Pvt) Ltd	-do-	CMA	Rs.3,250,000	Rs.500 - Rs.2,000	-	Positive
Wirawila Walk Inn Limited	S Fernando	CMA	Rs.27,188	-	-	Positive
Leasehold property						
Jaykay Marketing Service (Pvt) Ltd	P B Kalugalagedara	IA	-	Rs.275,000- Rs.435,000	-	Negative

* Summary description of valuation methodologies can be found in property, plant and equipment Note 22.3.

The level at which fair value measurement is categorised can be found in fair value measurement and related fair value disclosures Note 12.1.

Effective date of valuation was 31 December 2025.

25. INTANGIBLE ASSETS

Accounting policy

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

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 amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to income statement in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and treated as accounting estimates. The amortisation is calculated by using straight-line method on the cost of all the intangible assets and the amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives and goodwill are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised as an intangible asset, when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete and its ability to use or sell the assets,
- how the assets will generate future economic benefits,
- the availability of resources to complete the assets,
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure of an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit from the use or expected future sales from the related project. During the period of development, the asset is tested for impairment annually.

Contractual relationships

Contractual relationships are rights which provide access to distribution networks. Contractual relationships are initially recognised at cost and amortised over the contract period.

A summary of the policies applied to the Group's intangible assets is as follows.

Intangible assets	Useful life	Type	Impairment testing
Purchased software	5 - 10	Acquired	When indicators of impairment exists. The amortisation method is reviewed at each financial year end.
Software license	5		
Contractual relationships	5 - 10		
Developed software	5 - 10	Internally generated	Annually for assets not yet in use and more frequently when indicators of impairment arise. For assets in use, when indicators of impairment arise. The amortisation method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

25. INTANGIBLE ASSETS (CONTD.)

25.1 Intangible assets

As at 31 March In Rs.'000s	Software				
	Developed	Purchased	Licenses	WIP	
Cost/carrying value					
At the beginning of the year	8,068,439	1,690,284	2,672,478	17,311	
Additions	1,123,430	277,469	581,336	35,826	
Change in business combination	-	9,653	-	-	
Acquisition of a subsidiary	-	-	-	-	
Disposal of subsidiaries	(9,303)	-	(12,040)	-	
Transfers	82,743	140,555	9,768	(46,118)	
Disposal	(116,546)	-	(642,728)	(1,391)	
Fair value adjustment	-	-	-	-	
Exchange translation difference	-	4,954	-	-	
At the end of the year	9,148,763	2,122,915	2,608,814	5,628	
Accumulated amortisation and impairment					
At the beginning of the year	(1,799,200)	(966,327)	(1,860,939)		
Amortisation	(828,506)	(227,981)	(322,310)	-	
Change in business combination	-	(680)	-	-	
Disposal of subsidiaries	2,000	-	1,505	-	
Transfers	-	(61,018)	(1,328)	-	
Disposal	116,546	-	624,284	-	
Exchange translation difference	-	(1,478)	-	-	
At the end of the year	(2,509,160)	(1,257,484)	(1,558,788)	-	
Carrying value					
As at 31 March 2026	6,639,603	865,431	1,050,026	5,628	
As at 31 March 2025	6,269,239	723,957	811,539	17,311	

Group's Intangible assets with a cost of Rs.519 Mn (2025 - Rs.337 Mn) have been fully amortised and continue to be in use by the Group.

			GROUP		COMPANY	
					Software	
	Goodwill	Contractual Relationships	2026 Total	2025 Total	2026 Total	2025 Total
	966,608	8,037,113	21,452,233	10,784,550	3,461,901	681,806
	-	-	2,018,061	10,494,067	152,049	2,780,095
	-	-	9,653	-	-	-
	34,529	-	34,529	-	-	-
	(23,150)	-	(44,493)	-	-	-
	-	-	186,948	274,075	-	-
	-	-	(760,665)	(87,827)	(609,381)	-
	-	-	-	(12,000)	-	-
	-	-	4,954	(632)	-	-
	977,987	8,037,113	22,901,220	21,452,233	3,004,569	3,461,901
		(980,430)	(5,606,896)	(4,455,425)	(685,254)	(647,028)
	-	(255,207)	(1,634,004)	(1,227,761)	(284,835)	(38,226)
	-	-	(680)	-	-	-
	-	-	3,505	-	-	-
	-	-	(62,346)	(9,443)	-	-
	-	-	740,830	85,560	609,381	-
	-	-	(1,478)	173	-	-
	-	(1,235,637)	(6,561,069)	(5,606,896)	(360,708)	(685,254)
	977,987	6,801,476	16,340,151		2,643,861	
	966,608	7,056,683		15,845,337		2,776,647

25. INTANGIBLE ASSETS (CONTD.)

25.2 Intangible assets - Goodwill

Goodwill acquired through business combinations have been allocated to following cash generating units (CGU's) for impairment testing,

	GROUP	
	Net carrying value	
As at 31 March **In Rs.'000s**	**2026**	**2025**
Cinnamon Hotels and Resorts	177,627	166,248
Consumer Foods	535,000	535,000
Financial Services	265,360	265,360
	977,987	966,608

The recoverable amounts of all CGUs have been determined based on the fair value, less cost to sell or the value in use (VIU) calculation.

Accounting judgments, estimates and assumptions

Impairment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates

This discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium, is 15%.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry growth rates of one to four years immediately subsequent to the budgeted year. Cash flows beyond the five year period are extrapolated using 0% growth rate.

26. INVESTMENT IN SUBSIDIARIES

Accounting policy

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

26.1 Carrying value

As at 31 March **In Rs.'000s**	Note	COMPANY **2026**	 **2025**
Quoted	26.2	20,466,450	20,433,183
Unquoted	26.3	245,047,832	224,938,349
		265,514,282	245,371,532

26.2 Group quoted investments

As at 31 March	GROUP Number of shares	 Effective holding %	COMPANY Number of shares	 Effective holding %	**2026** **In Rs.'000s**	**2025** In Rs.'000s
Cost						
Asian Hotels and Properties PLC	347,824,190	78.56%	347,824,190	78.56%	5,384,453	5,382,585
Ceylon Cold Stores PLC	773,245,440	81.36%	671,558,120	70.66%	1,841,426	1,786,453
John Keells Hotels PLC	1,169,598,478	80.32%	1,169,598,478	80.32%	7,102,140	7,102,140
John Keells PLC	52,834,784	86.90%	52,834,784	86.90%	510,825	501,679
Keells Food Products PLC	22,937,250	88.63%	20,364,054	79.86%	1,253,497	1,248,091
Tea Smallholder Factories PLC	-	-	-	-	-	66,809
Trans Asia Hotels PLC	184,107,284	82.74%	97,284,256	48.64%	1,622,935	1,622,524
Union Assurance PLC	530,357,150	90.00%	530,357,150	90.00%	2,751,174	2,722,902
					20,466,450	20,433,183

As at 31 March **In Rs.'000s**	GROUP **2026**	 **2025**	COMPANY **2026**	 **2025**
Market Value				
Asian Hotels and Properties PLC	18,712,941	18,434,682	18,712,941	18,434,682
Ceylon Cold Stores PLC	79,644,280	63,406,126	69,170,486	55,067,766
John Keells Hotels PLC	18,947,495	23,625,889	18,947,495	23,625,889
John Keells PLC	4,290,184	3,909,774	4,290,184	3,909,774
Keells Food Products PLC	3,675,694	3,876,395	3,263,340	3,441,525
Tea Smallholder Factories PLC	-	452,569	-	452,569
Trans Asia Hotels PLC	9,573,579	7,272,238	5,058,781	3,842,728
Union Assurance PLC	36,859,822	28,692,322	36,859,822	28,692,322
	171,703,995	149,669,995	156,303,049	137,467,255

26. INVESTMENT IN SUBSIDIARIES (CONTD.)

26.3 Group unquoted investments

As at 31 March	GROUP		COMPANY			
	2026		2026			2025
	Number of shares	Effective holding %	Number of shares	Effective holding %	Cost In Rs.'000s	Cost In Rs.'000s
Ahungalla Holiday Resorts (Pvt) Ltd	13,732,823	80.32	-	-	-	-
Beruwala Holiday Resorts (Pvt) Ltd	219,725,653	79.78	-	-	3,064	3,106
British Overseas (Pvt) Ltd	61	61.00	61	61.00	-	-
Ceylon Holidays Resorts Limited	27,909,931	79.83	-	-	6,879	4,681
Cinnamon Hotel Management Limited	1,000,000	100.00	1,000,000	100.00	681,966	601,026
Cinnamon Hotel Management International (Pvt) Ltd	50,000	100.00	-	-	-	-
Cinnamon Holiday (Pvt) Ltd	20,000	80.32	-	-	-	-
Facets (Pvt) Ltd	615,000	100.00	615,000	100.00	6,000	6,000
Fantasea World Investments (Pvt) Ltd	7,299	80.32	-	-	5,958	5,504
Glennie Properties (Pvt) Ltd	16,386,140	100.00	16,386,142	100.00	163,861	163,861
Habarana Lodge Limited	12,981,548	78.99	-	-	6,461	5,533
Habarana Walk Inn Limited	4,321,381	79.34	-	-	2,719	2,719
Hikkaduwa Holiday Resorts (Pvt) Ltd	107,596,700	79.83	-	-	5,704	4,729
Infomate (Pvt) Ltd	2,000,000	100.00	2,000,000	100.00	55,506	50,589
International Tourists and Hoteliers Limited	38,490,901	79.78	-	-	-	-
J K Land (Pvt) Ltd	2,302,760,246	100.00	2,302,760,246	100.00	24,964,639	24,964,639
J K Packaging (Pvt) Ltd	1,450,000	100.00	1,450,000	100.00	-	-
J K Thudella Properties (Pvt) Ltd	45,346,760	100.00	-	-	-	-
JayKay Marketing Services (Pvt) Ltd	202,239,025	81.36	-	-	410,466	345,550
John Keells CG Auto (Pvt) Ltd	2,700,000	50.00	2,700,000	50.00	270,288	-
John Keells BPO Solutions Lanka (Pvt) Ltd	32,843,578	100.00	-	-	-	-
John Keells Information Technology (Pvt) Ltd	9,650,000	100.00	9,650,000	100.00	128,355	127,925
John Keells Foods India (Pvt) Ltd	8,999,990	88.63	-	-	-	-
John Keells International (Pvt) Ltd	199,160,000	100.00	199,160,000	100.00	696,401	686,658
John Keells Logistics (Pvt) Ltd	19,999,998	100.00	19,999,998	100.00	245,205	238,210
John Keells Maldivian Resorts (Pvt) Ltd	49,044,238	80.32	-	-	18,944	18,817
John Keells Office Automation (Pvt) Ltd	500,000	100.00	500,000	100.00	90,382	84,410
John Keells Properties Ja-Ela (Pvt) Ltd	95,436,000	100.00	-	-	-	-
John Keells Residential Properties (Pvt) Ltd	2,081,698	100.00	2,681,698	100.00	20,817	20,817
John Keells Restaurants (Pvt) Ltd	1,000,000	100.00	1,000,000	100.00	100,000	-
John Keells Singapore (Pte) Ltd	160,000	80.00	160,000	80.00	4,209	4,209
John Keells Stock Brokers (Pvt) Ltd	1,500,000	90.04	360,000	24.00	117,423	106,994
John Keells Teas (Pvt) Ltd	12,000	100.00	12,000	100.00	37,961	35,199
John Keells Warehousing (Pvt) Ltd	12,000,000	86.90	-	-	5,039	5,039
Kandy Walk Inn Limited	-	-	-	-	-	4,094
Keells Consultants (Pvt) Ltd	928	100.00	928	100.00	2,070	2,070
Keells Realtors Limited	7,500,000	95.81	5,100,000	68.00	80,349	80,349
Keells Shipping (Pvt) Ltd	50,000	100.00	50,000	100.00	-	-
Lanka Marine Services (Pvt) Ltd	34,805,470	99.44	34,805,470	99.44	1,466,266	1,442,094

As at 31 March	GROUP		COMPANY			
	2026		2026			2025
	Number of shares	Effective holding %	Number of shares	Effective holding %	Cost In Rs.'000s	Cost In Rs.'000s
Logipark International (Pvt) Ltd	60,407,698	81.36	-	-	1,565	1,283
Mack Air (Pvt) Ltd	89,260	100.00	89,260	100.00	64,920	56,717
Mack Air Services Maldives (Pvt) Ltd	4,900	49.00	4,700	47.00	2,021	2,021
Mack International Freight (Pvt) Ltd	35,400,000	100.00	35,400,000	100.00	-	-
Mackinnon Keells Limited	31,966,951	100.00	31,966,951	100.00	670,166	670,166
Mackinnon Mackenzie and Company Shipping Limited	139,092	100.00	139,092	100.00	65,844	65,844
Mackinnon Mackenzie and Company of Ceylon Limited	1,244	100.00	1,244	100.00	29,122	29,122
Mackinnons Travels (Pvt) Ltd	499,996	100.00	499,996	100.00	41,233	34,597
Mortlake (Pvt) Ltd	43	100.00	43	93.02	20,000	20,000
Nuwara Eliya Holiday Resorts (Pvt) Ltd	123,682	80.32	-	-	-	-
Rajawella Holdings Limited	13,063,936	49.85	11,573,339	45.18	801,707	801,707
Rajawella Hotels Company Limited	3,381,746	80.32	-	-	-	-
Resort Hotels Limited	644,445	79.88	-	-	-	-
The Colombo Ice Company (Pvt) Ltd	169,999,999	81.36	-	-	3,234	2,328
Tranquility (Pvt) Ltd	637,499	80.32	-	-	7,115	6,625
Trans-Ware Logistics (Pvt) Ltd	5,539,929	100.00	5,539,929	100.00	58,983	58,983
Travel Club (Pvt) Ltd	29,059	80.32	-	-	3,693	3,693
Trinco Holiday Resorts (Pvt) Ltd	8,120,005	80.32	-	-	3,628	3,628
Trinco Walk Inn Limited	3,000,007	80.32	-	-	-	-
Vauxhall Land Developments (Pvt) Ltd	2,171,655,391	100.00	-	-	-	-
Walkers Tours Limited	3,737,634	98.05	3,737,634	98.05	226,296	214,920
Waterfront Properties (Pvt) Ltd	19,051,980,511	99.43	18,321,056,085	96.66	183,297,810	163,841,416
Waterfront Properties (Pvt) Ltd - Preference shares	2,806,822,014	-	2,806,822,014	-	28,068,220	28,068,220
Whittall Boustead (Pvt) Ltd	5,341,105	100.00	5,341,105	100.00	1,792,711	1,753,253
Whittall Boustead (Travel) Ltd	22,452,271	100.00	22,452,271	100.00	289,875	286,245
Wirawila Walk Inn Limited	2,076,824	80.32	-	-	-	-
Yala Adventure Park (Pvt) Ltd	4,036,450	69.97	-	-	-	-
Yala Village (Pvt) Ltd	28,268,000	75.32	-	-	2,757	2,759
					245,047,832	224,938,349

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

Accounting policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Associate companies incorporated in Sri Lanka of the Group which have been accounted for under the equity method of accounting are:

- Capitol Hotel Holdings Limited
- Colombo West International Terminal (Pvt) Ltd
- Fairfirst Insurance Limited (Divested on 18 September 2025)
- Indra Hotels and Resorts Kandy (Pvt) Ltd
- Maersk Lanka (Pvt) Ltd
- Nations Trust Bank PLC
- Saffron Aviation (Pvt) Ltd
- South Asia Gateway Terminals (Pvt) Ltd

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint ventures incorporated in Sri Lanka entered into by the Group, which have been accounted for using the equity method, are:

- Braybrooke Residential Properties (Pvt) Ltd.
- DHL Keells (Pvt) Ltd
- Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd
- Sentinel Realty (Pvt) Ltd

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Nature of the entity's relationship, principal place of business and the country of incorporation is disclosed in group directory.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the Income Statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Income Statement.

The accounting policies of associate companies and joint ventures conform to those used for similar transactions of the Group. Accounting policies that are specific to the business of associate companies are discussed below.

Equity method of accounting has been applied for associates and joint ventures using their corresponding/matching 12 months financial period. In the case of associates, where the reporting dates are different to Group reporting dates, adjustments are made for any significant transactions or events up to 31 March.

As at 31 March	GROUP				COMPANY			
	Number of shares	Effective Holding %	2026 In Rs. '000s	2025 In Rs. '000s	Number of shares	Effective Holding %	2026 In Rs. '000s	2025 In Rs. '000s
27.1 Investments in joint ventures								
Unquoted								
Braybrooke Residential Properties (Pvt) Ltd	102	50.00	1,804,500	1,804,500	-	-	-	-
DHL Keells (Pvt) Ltd	1,000,000	50.00	10,000	10,000	1,000,000	50.00	10,000	10,000
Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd	164,520	60.00	16,452	16,452	164,520	60.00	16,452	16,452
John Keells CG Auto (Pvt) Ltd	-	-	-	270,000	-	-	-	270,000
Sentinel Realty (Pvt) Ltd	7,339,141	40.16	69,010	67,817	-	-	-	-
27.2 Investments in associates								
Quoted								
Nations Trust Bank PLC- Voting shares	85,061,718	29.48	2,806,914	2,555,903	56,897,473	19.72	1,979,749	1,811,849
Nations Trust Bank PLC- Non voting shares	23,421,305	52.12	2,144,637	2,075,410	18,578,702	41.35	1,541,174	1,486,261
Unquoted								
Capitol Hotel Holdings (Pvt) Ltd	3,249,232	19.47	325,483	325,483	3,254,832	19.47	325,483	325,483
Colombo West International Terminal (Pvt) Ltd	175,548,760	34.00	17,554,877	17,554,877	175,548,760	34.00	17,554,876	17,554,876
Fairfirst Insurance Limited	-	-	-	689,718	-	-	-	-
Indra Hotels and Resorts (Pvt) Ltd	177,456,020	32.13	1,535,965	1,535,965	-	-	-	-
Maersk Lanka (Pvt) Ltd	30,000	30.00	150	150	30,000	30.00	150	150
Saffron Aviation (Pvt) Ltd	24,887,160	40.00	248,872	248,872	24,887,160	40.00	-	-
Saffron Aviation (Pvt) Ltd - Preference shares	198,710,209	-	506,247	506,247	198,710,209	-	-	-
South Asia Gateway Terminals (Pvt) Ltd	159,826,750	42.19	7,346,367	7,346,367	159,826,750	42.19	7,346,367	7,346,367
Cumulative profit accruing to the Group net of dividend			20,473,800	15,729,870			-	-
Share of net assets of equity accounted investees			11,977,858	11,017,860			-	-
			66,821,132	61,755,491			28,774,251	28,821,438

Group's shareholding in Nations Trust Bank PLC (NTB)

The Group currently holds a 29.48% stake of voting shares in NTB. In terms of the Banking Act No.30 of 1998, as amended, John Keells Group is to reduce its respective shares carrying voting rights to 15% and is required to take relevant action to comply with the said direction. The restriction on voting rights at 10% which is applicable to the John Keells Group continues to be in effect until the shareholding is reduced to 15%. As of 31 March 2026, the Group holds an economic interest of 32.55% in NTB.

As at 31 March **In Rs.'000s**	GROUP		COMPANY	
	2026	2025	2026	2025
Market Value				
Quoted shares of Nations Trust Bank PLC				
Voting shares	24,604,102	16,022,856	16,457,594	10,717,630
Non voting shares	9,368,522	6,285,397	7,431,481	4,985,825
	33,972,624	22,308,253	23,889,075	15,703,455

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (CONTD.)

27.3 SUMMARISED FINANCIAL INFORMATION OF EQUITY ACCOUNTED INVESTEES

As at / for the year ended 31 March **In Rs.'000s**	Port operations		Financial services	
	2026	2025	**2026**	2025
Group share of;				
Revenue	17,365,063	13,709,588	18,684,209	16,849,216
Operating expenses including cost of sales	(11,186,572)	(7,274,652)	(9,101,407)	(5,621,418)
Net finance income / (expense)	(343,661)	129,698	-	-
Tax expense	(1,534,980)	(2,122,199)	(3,107,448)	(5,289,508)
Share of results of equity accounted investees	4,299,850	4,442,435	6,475,354	5,938,290
Other Comprehensive Income	1,794,942	(319,010)	(823,911)	561,045
Total Comprehensive Income	6,094,792	4,123,425	5,651,443	6,499,335
Group share of;				
Total assets	94,264,046	75,264,680	251,528,400	200,757,730
Total liabilities	(64,516,462)	(47,633,879)	(219,469,457)	(171,582,537)
Net assets	29,747,584	27,630,801	32,058,943	29,175,193
Goodwill	-	-	25,642	55,713
	29,747,584	27,630,801	32,084,585	29,230,906
Capital commitments	5,792,060	522,074	-	-
Other commitments and Guarantees	3,244,042	1,569,366	181,064,435	143,017,707
Dividend received	3,978,008	3,822,736	753,098	690,289

The share of results of equity accounted investees in the Income Statement and the Statement of Other Comprehensive Income are shown net of all related taxes.

The Company has provided a sponsor support on behalf of Colombo West International Terminal (Pvt) Ltd to the partner shareholder for a loan facility provided to support project construction.

Other than disclosures in Note 44 and Note 45, the Group and the Company have neither contingent liabilities nor capital and other commitments towards its associates and joint ventures.

Material accounting policies that are specific to the business of equity accounted investees

Nations Trust Bank PLC (Bank)

Recognition of Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The specific recognition criteria must for recognition of income is explained below.

Interest income

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. The Bank ceases the recognition of interest income on assets when it is probable that the economic benefits associated will not continue to flow to the Bank. Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is also recognised using the contractual interest rate in interest income.

	Other associates		Joint ventures		Total	
	2026	2025	**2026**	2025	**2026**	2025
	2,106,135	1,685,793	5,017,558	5,206,935	43,172,965	37,451,532
	(1,529,837)	(1,098,196)	(3,904,104)	(4,650,695)	(25,721,920)	(18,644,961)
	(210,270)	(22,972)	(12,692)	(557,547)	(566,623)	(450,821)
	(95,744)	(161,960)	(165,053)	(3,129)	(4,903,225)	(7,576,796)
	270,284	402,665	935,709	(4,436)	11,981,197	10,778,954
	1,250	168,514	(6,129)	2,073	966,152	412,622
	271,534	571,179	929,580	(2,363)	12,947,349	11,191,576
	5,827,123	5,970,231	17,118,074	18,986,902	368,737,643	300,979,543
	(3,670,230)	(3,543,627)	(14,409,450)	(16,643,168)	(302,065,599)	(239,403,211)
	2,156,893	2,426,604	2,708,624	2,343,734	66,672,044	61,576,332
	110,186	110,186	13,260	13,260	149,088	179,159
	2,267,079	2,536,790	2,721,884	2,356,994	66,821,132	61,755,491
	-	-	-	562,357	5,792,060	1,084,431
	2,750	-	37,778	33,550	184,349,005	144,620,623
	541,311	393,447	500,001	450,000	5,772,418	5,356,472

Net fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided in to the following three categories:

- Fee and commission income from services where performance obligations are satisfied over time include asset management, custody and other management and advisory services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.
- Fee and commission income from providing services where performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/ participation or negotiation of lending transactions or other securities.
- Fee income forming an integral part of the corresponding financial instrument fees that the Bank considers to be an integral part of the corresponding financial instruments include: loan origination fees, loan commitment fees for loans that are likely to be drawn down and other credit related fees. The recognition of these fees (together with any incremental costs) form an integral part of the corresponding financial instruments and are recognised as interest income through an adjustment to the EIR.

27. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (CONTD.)

Net gain / (loss) from trading
Net gain / (loss) from trading includes all realised and unrealised foreign exchange transactions and unrealised fair value changes on fixed income securities.

Dividend Income
Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Rental Income
Rental income is recognised on an accrual basis.

Other Income
Other income is recognised on an accrual basis.

South Asia Gateway Terminals (Pvt) Ltd / Colombo West International Container Terminals (Pvt) Ltd
Stevedoring revenue
Stevedoring revenue is recognised at the berthing time of the vessel.

Storage revenue
Storage revenue is recognised on the issue of delivery advice.

South Asia Gateway Terminals (Pvt) Ltd and Colombo West International Container Terminals (Pvt) Ltd use United States Dollar (USD) as its functional currency.

Fairfirst Insurance Limited (Divested w.e.f. 18 September 2025)
Revenue from insurance contracts
General insurance business-gross written premium
Gross written premiums (GWP) comprise the total premiums received/ receivable for the whole period of cover provided by contracts entered into during the accounting period. GWP is generally written upon inception of the policy. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross written premium.

Insurance contract liabilities - general
Non-life insurance contract liabilities include the outstanding claims provision (Reserve for gross outstanding and incurred but not reported, and incurred and not enough reported - IBNR/ IBNER) and the provision for unearned premium and the provision for premium deficiency.

28. NON CURRENT FINANCIAL ASSETS

As at 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Other quoted equity investments		242	139	-	-
Other unquoted equity investments	28.1	40,483	44,335	31,331	35,181
Other non equity investments	28.2	93,048,078	76,539,654	1,767,785	2,347,921
		93,088,803	76,584,128	1,799,116	2,383,102

28.1 Other unquoted equity investments

As at 31 March In Rs.'000s	GROUP Number of shares	GROUP 2026	GROUP 2025	COMPANY Number of shares	COMPANY 2026	COMPANY 2025
Asia Power (Pvt) Ltd	147,317	1,277	5,126	147,317	1,277	5,126
Other equity instruments		39,206	39,209		30,054	30,055
		40,483	44,335		31,331	35,181

28.2 Other non equity investments

As at 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Debentures		9,336,719	7,606,328	-	-
Government securities		77,188,907	62,227,346	-	-
Deposits with non bank institutions		403,405	377,893	-	-
Loans to executives	28.3	1,631,595	1,349,621	156,490	119,875
Loans to life policyholders	28.4	2,726,895	2,615,908	-	-
Reinsurance receivable		149,262	134,512	-	-
Cash flow hedge		1,611,295	2,228,046	1,611,295	2,228,046
		93,048,078	76,539,654	1,767,785	2,347,921

28.3 Loans to executives

As at 31 March In Rs.'000s	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
At the beginning of the year	1,820,774	1,906,877	142,853	194,203
Change in business combination	10,240	-	-	-
Disposal of subsidiaries	(13,188)	-	-	-
Loans granted / transfers	1,268,216	1,017,129	90,483	55,000
Recoveries / settlements	(948,454)	(1,103,232)	(50,368)	(106,350)
At the end of the year	2,137,588	1,820,774	182,968	142,853
Receivable within one year	505,993	471,153	26,478	22,978
Receivable between one and five years	1,631,595	1,349,621	156,490	119,875
	2,137,588	1,820,774	182,968	142,853

28. NON CURRENT FINANCIAL ASSETS (CONTD.)

28.4 Loans to life policyholders

As at 31 March In Rs.'000s	GROUP 2026	GROUP 2025
At the beginning of the year	2,732,652	2,425,337
Loans granted / transfers	1,533,059	1,417,292
Recoveries	(1,296,254)	(1,109,977)
At the end of the year	2,969,457	2,732,652
Receivable within one year	242,562	116,744
Receivable between one and five years	2,726,895	2,615,908
	2,969,457	2,732,652

29. OTHER NON CURRENT ASSETS

As at 31 March In Rs.'000s	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Pre paid cost	479,022	473,416	30,569	39,580
Work-in-progress	24,201	1,402,849	-	-
Non current advances	1,490,414	1,109,003	64,120	66,705
	1,993,637	2,985,268	94,689	106,285

30. INVENTORIES

Accounting policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

- Raw materials - On a weighted average basis
- Finished goods and work-in-progress - At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity but excluding borrowing costs
- Other inventories – At actual cost

As at 31 March In Rs.'000s	GROUP 2026	GROUP 2025
Inventories		
Raw materials	3,308,621	1,763,613
Vehicles	21,187,855	-
Finished goods	19,234,505	14,643,065
Produce stocks	-	410,344
Other stocks	6,157,979	5,337,716
Apartments and commercial space	8,457,494	16,555,761
	58,346,454	38,710,499

During the year ended 31 March 2026, Rs.2,579 Mn (2025 - Rs.1,912 Mn) was recognised as an expense for inventories carried at net realisable value.

31. TRADE AND OTHER RECEIVABLES

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year, Rs.50 Mn (2025 - Rs.830 Mn) and Rs.-1 Mn (2025 - Rs.1 Mn) for the Group and the Company respectively, was recognised as a provision for expected credit losses on trade receivables.

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	Note	2026	2025	2026	2025
Trade and other receivables		43,484,299	29,911,323	451,835	688,877
Reinsurance receivables		375,793	305,223	-	-
Premiums receivable		885,416	1,003,288	-	-
Loans to executives	28.3	505,993	471,153	26,478	22,978
Loans to life policyholders	28.4	242,562	116,744	-	-
		45,494,063	31,807,731	478,313	711,855

32. OTHER CURRENT ASSETS

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	2026	2025	2026	2025
Prepayments and non cash receivables	11,073,746	6 ,852,144	1,031,560	722,421
Tax recoverable	4,757,239	3,804,265	14,141	14,141
	15,830,985	10,656,409	1,045,701	736,562

33. SHORT TERM INVESTMENTS

Short-term investments are liquid assets or cash, which are being held for a short period of time, with the primary purpose of controlling the tactical asset allocation.

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	Note	2026	2025	2026	2025
Quoted equities at market value	33.1	9,892,077	7,700,139	-	-
More than 3 months and less than 1 year					
Debentures		2,034,108	1,848,031	-	-
Bank deposits		46,361,347	47,695,937	39,661,896	41,631,916
Government securities		4,029,486	5,710,046	-	-
		62,317,018	62,954,153	39,661,896	41,631,916
Less than 3 months					
Debentures		94,110	407,893	-	-
Bank deposits		24,275,361	20,363,724	18,344,626	20,166,412
Government securities		7,256,500	6,685,706	-	877
Reported in statement of cash flow		31,625,971	27,457,323	18,344,626	20,167,289
		93,942,989	90,411,476	58,006,522	61,799,205

33. SHORT TERM INVESTMENTS (CONTD.)

33.1 Quoted equities at market value - Group

As at 31st March	Number of shares		Cost		Market value	
	2026	2025	2026 In Rs.'000s	2025 In Rs.'000s	2026 In Rs.'000s	2025 In Rs.'000s
Access Engineering PLC	15,704,635	14,630,868	685,729	426,969	1,052,211	563,288
ACL Cables PLC	501,497	4,539,591	20,678	455,558	42,627	553,830
Aitken Spence Hotel Holdings PLC	268,080	413,791	20,595	31,790	24,556	33,145
Aitken Spence PLC	264,804	857,088	40,688	94,156	36,808	109,493
Alumex PLC	24,417,530	-	476,702	-	405,331	-
Ceylon Cold Stores PLC	623,842	-	68,055	-	64,256	-
Chevron Lubricants Lanka PLC	-	2,805,925	-	322,224	-	385,815
CIC Holdings PLC	32,954,966	3,325,520	892,767	330,422	953,382	332,361
Commercial Bank of Ceylon PLC	8,336,397	4,842,523	1,348,130	488,208	1,702,709	714,272
Dialog Axiata PLC	37,943,679	-	890,616	-	1,149,693	-
Digital Mobility Solutions Lanka Limited	400,000	4,030,604	46,385	209,824	54,900	294,637
E B Creasy & Company PLC	774,799	-	51,220	-	37,578	-
Ex-pack Corrugated Cartons PLC	-	98,943	-	1,314	-	1,375
Hayleys Fabric PLC	7,919,314	8,702,960	333,230	366,442	241,539	391,633
Hatton National Bank PLC	-	163,329	-	41,058	-	49,815
Hayleys PLC	3,061,575	492,342	617,333	64,367	627,166	67,451
Hela Apparel Holdings PLC	-	4,264,993	-	31,952	-	15,780
Hemas Holdings PLC	-	420,718	-	45,237	-	50,486
JAT Holdings PLC	490,190	490,190	12,790	12,790	19,117	13,186
John Keells Holdings PLC	41,363,251	62,181,789	787,326	1,112,635	761,084	1,256,072
John Keells Hotels PLC	6,448,363	248,296	164,634	5,959	104,463	5,016
Lanka Aluminium Industries PLC	211,923	-	8,533	-	8,540	-
Lanka Milk Foods (CWE) PLC	609,759	-	49,526	-	48,842	-
Lanka Orix Leasing Company PLC	18,974	30,006	10,877	16,925	10,051	17,846
LB Finance PLC	275,000	1,482,894	33,074	135,288	38,981	127,232
Melstacorp Limited	73,820	3,052,573	12,015	391,554	12,402	387,677
Mercantile Investments and Finance PLC	2,845,400	-	78,249	-	85,077	-
Nations Trust Bank PLC	475,370	438,605	95,163	83,792	137,501	83,335
Peoples Leasing and Finance PLC	18,511,972	16,543,046	319,505	244,330	414,668	296,121
RIL Property PLC	-	10,020	-	150	-	151
Prime Land Residencies PLC	7,127,355	-	243,482	-	332,847	-
Renuka Holdings PLC	189,160	-	11,823	-	9,590	-
Royal Ceramics Lanka PLC	18,459,580	10,127,437	805,399	416,790	793,762	374,715
Sampath Bank PLC	-	393,290	-	40,908	-	48,178
Sierra Cables PLC	-	3,155,731	-	44,180	-	49,545
Seylan Bank PLC	1,552,824	-	116,582	-	109,629	-
Singer Sri Lanka PLC	1,617,491	101,712	116,493	3,005	124,547	3,377
Sunshine Holdings PLC	1,927,679	12,119,083	57,401	138,633	56,674	260,560
Textured Jersey Lanka PLC	12,232,515	9,175,502	500,547	391,132	342,510	467,951
Tokyo Cement Company (Lanka) PLC	569,646	10,278,819	54,276	521,579	45,628	742,003
Vallible One PLC	472,326	64,367	48,124	3,782	43,408	3,793
			9,017,947	6,472,953	9,892,077	7,700,139

Above list mainly comprises of the investments made by Union Assurance PLC (UA) under the unit linked equity tracker fund, which is managed by an independent fund manager.

34. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

Accounting policy

The ordinary shares of John Keells Holdings PLC are quoted in the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are eligible for one vote per share at General Meetings of the Company. The Group has in place an Employee Share Option Plan. Please refer Note 35 for further details.

34.1 Stated capital

COMPANY				
As at 31 March	2026		2025	
	Number of shares In '000s	Value of shares In Rs.'000s	Number of shares In '000s	Value of shares In Rs.'000s
Fully paid ordinary shares				
At the beginning of the year	17,624,630	132,511,513	1,498,820	90,602,453
Conversion of the convertible debentures	-	-	1,079,375	16,570,170
Right issue (1:10)	-	-	150,264	24,042,175
Sub-division of shares (1:10)	-	-	14,876,096	-
Share options exercised	74,645	1,286,081	20,075	1,296,715
At the end of the year	17,699,275	133,797,594	17,624,630	132,511,513

The number of shares in issue as at 31 March 2026 was 17,699,275,116.

A quantum of 298,316,832 shares (2025 - 291,664,802) have been reserved to be issued under the employee share option plan as at 31 March 2026.

Rights issue

The Company raised Rs.24,042,175,200/- by way of a Rights Issue of 150,263,595 new Ordinary Shares, in the proportion of One (1) Ordinary Share for every Ten (10) Ordinary Shares, at an issue price of Rs.160/-per share. The new Ordinary Shares allotted from the Rights Issue were listed on 22 October 2024.

Share split

Subsequent to the issue of rights, the Sub-division of Ordinary Shares in the ratio of one (1) existing share post the Rights Issue into ten (10) Ordinary Shares was completed with recommencement of the trading of shares on 6 November 2024.

34.2 Other components of equity

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	2026	2025	2026	2025
Revaluation reserve	48,253,729	45,402,974	-	-
Foreign currency translation reserve	73,698,330	71,114,386	-	-
Other capital reserve	3,627,315	3,396,430	3,627,315	3,396,430
Restricted regulatory reserve	4,526,766	4,219,498	-	-
Cash flow hedge reserve	1,611,296	2,228,047	1,611,296	2,228,047
Fair value reserve of financial assets at FVOCI	4,366,133	6,164,727	2,812	6,662
	136,083,569	132,526,062	5,241,423	5,631,139

34. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY (CONTD.)

34.2 Other components of equity (Contd.)

The revaluation reserve consists of the net surplus on the revaluation of property, plant and equipment and present value of acquired in-force business (PVIB).

The foreign currency translation reserve comprises the net exchange movement arising from the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees.

The other capital reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Restricted regulatory reserve

Union Assurance PLC (UA)
Based on the direction issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) dated 20 March 2018, UA has transferred Rs.3,382 Mn attributable to non-participating and non unit fund of unit linked business from life policyholder fund to life shareholder fund (SHF). The distribution of the one-off surplus to shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the IRCSL and can only be released upon receiving approval from the IRCSL. The one-off surplus in the SHF is represented by government debt securities as per the direction of the IRCSL.

Nations Trust Bank PLC (NTB)
The statutory reserve fund is maintained as per the requirements in terms of Section 20 of the Banking Act No 30 of 1988 and any subsequent amendments thereon. Accordingly, a sum equivalent to 5% of profit after tax is transferred to the reserve fund until the reserve fund is equal to 50% of the Bank's Stated Capital. Thereafter, a further 2% of profits will be transferred until the said reserve fund is equal to the Bank's stated Capital.

Cash flow hedge reserve includes the fair value changes on the effective portion of interest rate swaps designated as cash flow hedges.

The fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

35. SHARE-BASED PAYMENT PLANS

Accounting Policy
Employee share option plan - Equity-settled transactions
Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group applies SLFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares from 1 April 2013 onwards.

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 19.2).

Employee share option scheme

Under the John Keells Group's Employees share option scheme (ESOP), share options of the parent are granted to executives above certain level of the Group generally with more than 12 months of service. The exercise price of the share options is equal to the 30 days volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of "Met Expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

	GROUP		COMPANY	
For the year ended 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Share based payment expense during the year	517,982	416,388	157,367	120,786

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year;

	GROUP				COMPANY			
As at 31 March	**2026**		**2025**		**2026**		**2025**	
	No.	WAEP	No.	WAEP	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	291,664,802	15.10	27,397,640	134.41	86,365,747	14.99	8,581,135	134.35
Granted during the year	88,014,960	21.80	7,494,020	20.03	24,869,950	21.80	2,137,000	20.03
Transfers	-	-	-	-	70,165	13.76	(832,963)	17.51
Exercised during the year	(73,892,497)	13.38	(20,225,933)	31.76	(24,777,667)	13.29	(8,493,951)	31.42
Adjusted - sub division	-	-	277,631,748	N/A	-	-	84,974,526	N/A
Expired during the year	(7,470,433)	16.00	(632,673)	51.01	(573,306)	18.52	-	-
Outstanding at the end of the year	298,316,832	17.48	291,664,802	15.10	85,954,889	17.42	86,365,747	14.99
Exercisable at the end of the year	130,788,928	15.05	124,527,725	13.29	41,611,867	15.37	37,968,121	13.27
Weighted average market price at the date of exercise	N/A	22.01	N/A	71.48	N/A	22.05	N/A	87.80

Accounting judgements, estimates and assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments on the date at which they are granted. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

35. SHARE-BASED PAYMENT PLANS (CONTD.)

The following information was used and results were generated using binomial model for ESOP.

	COMPANY					
For the year ended 31st March	**2026** Plan no 12 Award 1	**2025** Plan no 11 Award 3	**2025** Plan no 11 Award 2.1	**2024** Plan no 11 Award 2	**2023** Plan no 11 Award 1	**2022** Plan no 10 Award 3
Dividend yield (%)	1.00	1.46	2.07	2.54	2.90	3.28
Expected volatility (%)	22.71	24.54	25.05	24.99	24.15	22.37
Risk free interest rate (%)	9.56	12.76	14.49	26.92	23.10	8.87
Expected life of share options (Years)	5	5	5	5	5	5
Weighted average share price at the grant date (Rs.)	22.93	194.00	158.36	137.83	119.85	132.63
Weighted average remaining contractual life for the share options outstanding (Years)	3	3	3	3	3	3
Weighted average fair value of options granted during the year (Rs.)	7.64	64.67	52.79	45.94	39.95	44.21
Exercise price for options outstanding at the end of the year (Rs.)	21.80	20.03	14.53	13.76	12.17	13.64

36. INSURANCE CONTRACT LIABILITIES

Accounting policy

Insurance contract liabilities

The long term and unit linked insurance business provisions are based on the recommendation of the independent external actuary following annual valuation of the life insurance business. The actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the actuary.

36.1 Insurance contract liabilities

	GROUP	
As at 31 March **In Rs.'000s**	**2026**	**2025**
Insurance contract liabilities	97,234,001	81,981,069
Unclaimed benefits	618,342	573,935
	97,852,343	82,555,004

Life insurance contract liabilities

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using the gross premium valuation method as prescribed by the Regulation of Insurance Industry Act No. 43 of 2000. The liability is determined as the discounted value of the expected contractual cash outflows less the discounted value of the expected premiums. Valuation assumptions are derived based on the best estimate experience with a prescribed risk margin to allow for adverse deviations. Non-participating liabilities are discounted using the fund based yield of the non-participating insurance fund.

The value of participating policy liabilities is the higher of the value of the guaranteed benefits liability and the total benefits liability, derived at the Participating Insurance Fund level. In calculating the guaranteed benefits liability, only the guaranteed benefits are considered and the cashflows are discounted using the risk free interest rate yield curve. Total benefits liability includes all the guaranteed and non guaranteed benefits, and discounted cash flows using the fund based yield of the Participating Insurance Fund.

Liability adequacy test (LAT)
At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test as laid out under SLFRS 4 - Insurance Contracts. The liability value is adjusted to the extent that it is sufficient to meet future benefits and expenses.

In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on management's prudent expectation of current market interest rates.

Any deficiency shall be recognised in the Income Statement by setting up a provision for liability adequacy.

Accounting judgments, estimates and assumptions
Product classification
SLFRS 4 requires contracts written by insurers to be classified as either insurance contracts or investment contracts depending on the level of insurance risk transferred.

Insurance contracts are contracts under which one party (the Insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Significant insurance risk exists if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction). The classification of contracts identifies both the insurance contracts that the Company issues and reinsurance contracts that the Company holds.

Contracts where the Company does not assume a significant insurance risk is classified as investment contracts.

Investment contracts are those contracts that transfer significant financial risks and no significant insurance risks. Financial risk is the risk of a possible future change in one or more of a specified interest rates, financial instrument prices, commodity prices, foreign exchange rates, index of price or rates, credit ratings or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without discretionary participating features.

Discretionary Participating Features (DPF)
DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that;

- are likely to be a significant portion of the total contractual benefits;
- the amount or timing of which is contractually at the discretion of the issuer; and contractually based on:
- The performance of a specified pool of contracts or a specified type of contract,
- Realised and or unrealised investment returns on a specified pool of assets held by the issuer, and
- The profit or loss of the company, fund or other entity that issues the contract.

Derivatives embedded in an insurance contract or an investment contract with DPF are separated and fair valued through the income statement unless the embedded derivative itself is an insurance contract or investment contract with DPF. The derivative is also not separated if the host insurance contract and / or investment contract with DPF is measured at fair value through the profit and loss.

IRCSL regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Company may exercise its discretion as to the quantum and timing of their payment to contract holders. At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders) and the amount and timing of the distribution to individual contract holders is at the discretion of the Company, subject to the advice of the appointed actuary. All DPF liabilities including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

36. INSURANCE CONTRACT LIABILITIES (CONTD.)

Valuation of Life Insurance Contract Liabilities

Long duration contract liabilities included in the life insurance fund, result primarily from traditional participating, non participating life and universal life insurance products. Short duration contract liabilities are primarily group term. The actuarial reserves have been established based on the following;

- Non participating liabilities and participating liabilities are discounted using their respective fund yield curves.
- Mortality rates based on published mortality tables adjusted for actual experience as required by regulations issued by the IRCSL.
- Surrender rates based on actual experience.

The amount of policyholder dividend to be paid is determined annually by the Company. The dividend includes life policyholders' share of net income that is required to be allocated by the insurance contract.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapses, surrender rates and discount rates as further detailed in notes to the financial statements. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to the life style, which could result in significant changes to the expected future mortality exposure.

Estimates are also made for future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. The fund based yield curves used in calculation of actuarial reserves have been derived using estimates of future economic conditions.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the company's historical experience of lapses and surrenders.

Valuation of life insurance fund

The valuation of the conventional life insurance fund as at 31 December 2025 was carried out by Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India Private Limited and a sum of Rs. 3,345 million was transferred from the conventional life insurance fund to the shareholders fund for the year 2025. Subsequent to the transfer the conventional life fund stood at Rs. 93,440 million.

Similarly the non unit fund of linked long term business valuation was carried out by Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India Private Limited and a sum of Rs. 55 million was transferred from the non unit fund of linked long term fund to the shareholders fund for the year 2025. Subsequent to the transfer the non unit fund stood at Rs. 318 million.

In the opinion of the appointed actuary, the admissible assets of the conventional life insurance fund and the non unit fund of linked long term business as at 31 December 2025 is adequate to cover the liabilities of the funds.

As at 31 March 2026, an internal actuarial valuation has been carried out for the conventional life insurance fund and the non unit fund of linked long term business. In the opinion, it was concluded that the admissible assets are adequate to cover the liabilities of the funds.

One - off surplus arising from change in policy liability valuation

The one off surplus comprises of Rs.432.5 million attributable to participating business and Rs.2.5 million attributable to Unit Linked Fund and Rs.3,382 million attributable to Non-Participating and Non Unit Fund of Unit Linked Business.

Based on the directions issued by the IRCSL dated 20 March 2018 and subsequent approval, the Company has transferred Rs.3,382 million attributable ton on participating and non unit fund of unit linked business from life policyholder fund through Income Statement to life shareholder fund and held as part of the Restricted Regulatory Reserve under equity in the statement of financial position.

One - off Surplus was determined as the difference between the NPV solvency basis liability and the GPV distribution basis liability as of 31 December 2015. This is calculated for Participating and other than participating funds, separately. Above basis is in line with the 'Minimum One - off Surplus' calculation basis provided in the IRCSL guideline.

Movement in Life Insurance fund

As at 31 December **In Rs.'000s**	**2025**	**2024**
Conventional life insurance fund		
Balance as at 1 January	78,076,935	64,797,623
Increase in life insurance fund before surplus transfer to shareholders	18,637,793	16,314,179
Transfer to shareholders	(3,344,665)	(3,000,000)
Effect of taxation on surplus / Bonus transferred to Policyholders	(22,588)	(23,983)
Net change in unclaimed benefits	92,993	(10,884)
Balance as at 31 December	93,440,468	78,076,935
Non unit fund of linked life insurance contracts		
Balance as at 1 January	322,572	245,761
Increase in non - unit fund of linked life insurance before surplus transfer to shareholders	55,435	69,692
Transfer to shareholders	(55,335)	-
Net change in unclaimed benefits	(4,353)	7,119
Balance as at 31 December	318,319	322,572
	93,758,787	78,399,507

Liability adequacy test (LAT) - Life insurance contract liabilities

As at 31 December 2025, liability adequacy test was performed by the appointed actuary Mr. Vivek Jalan FIA, FIAI of Willis Towers Watson India Private Limited who concluded that, the liability value is sufficient to meet future benefits and expenses. Hence, no provision was required to be made for any premium deficiency.

36.2 Change in life insurance contract liabilities

The results of Union Assurance PLC's (UA) life business segment is consolidated into the Group's Consolidated Income Statement. The change in life insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policy holders during the year.

SUMMARISED FINANCIAL INFORMATION

For the year ended 31 March **In Rs.'000s**	**2026**	**2025**
Total revenue	24,912,411	20,948,360
Cost of sales	(13,102,331)	(11,230,889)
Gross profit	11,810,080	9,717,471
Operating expenses including distribution and administration expenses	(8,606,049)	(7,184,450)
Net finance income	15,182,686	14,129,097
Gain on disposal of non current assets	1,949,051	-
Profit attributable to shareholders of UA	(4,906,180)	(3,416,032)
Change in insurance contract liabilities	15,429,588	13,246,086

Union Assurance PLC follows a risk mitigation approach for inherent uncertainty regarding the occurrence, amount or timing of insurance contract liabilities.

36. INSURANCE CONTRACT LIABILITIES (CONTD.)

36.2 Change in life insurance contract liabilities (Contd.)

Following table describes headline risks and responses.

Product	Key risks	Risk mitigation
Traditional participating	• Market risk: Investment return on underlying items falling below guaranteed minimum rates • Policyholder behaviour risk	• Management discretion to determine amount and timing of policyholder bonuses (within limits) • Surrender penalties
Non - participating	• Market risk: Insufficient fees to cover cost of guarantees and expenses • Policyholder behaviour risk	• Derivative hedging programme • Surrender penalties
Universal life	• Interest rate risk: Differences in duration and yield of assets and liabilities • Investment credit risk	• Matching of asset and liability cash flows • Investing in investment grade assets
Unit linked	• Market risk: Insufficient fees to cover expenses • Policyholder behaviour risk	• Surrender penalties • Product repricing

37. INTEREST-BEARING LOANS AND BORROWINGS

37.1 Movement

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
At the beginning of the year	163,793,245	150,386,444	87,441,331	62,714,546
Cash movement				
Loans obtained	6,731,395	36,031,878	-	31,800,000
Repayments	(37,754,318)	(20,424,540)	(24,104,605)	(6,320,800)
Non cash movement				
Accrued Interest (net)	(269,628)	(131,570)	(108,854)	(61,368)
Exchange differences	6,663,790	(2,068,967)	2,842,721	(691,047)
At the end of the year	139,164,484	163,793,245	66,070,593	87,441,331
Repayable within one year	30,893,500	26,673,221	13,612,974	14,514,447
Repayable after one year	108,270,984	137,120,024	52,457,619	72,926,884
	139,164,484	163,793,245	66,070,593	87,441,331

37.2 Security and repayment terms

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2026 In Rs.'000s	2025 In Rs.'000s
John Keells Holdings PLC	Fixed rate	28 quarterly instalments commencing from December 2020	-	1,130,340	2,485,510
	Fixed rate	60 monthly instalments commencing from December 2020	-	-	1,575,000
	Fixed rate 6-month SOFR plus margin (on separate components of the loan)	12 semi annual instalments commencing from December 2024 after 4 years grace period	Freehold land held under Vauxhall Land Developments (Pvt) Ltd (VLD), pledge of shares held by the Group in Ceylon Cold Stores PLC and Union Assurance PLC.	43,596,100	50,113,275
	Fixed rate	60 monthly instalments commencing from June 2021	-	-	1,312,500
	Fixed for the first 3 years and 1 month AWPLR plus margin for next 2 years	60 monthly instalments commencing from December 2026	-	20,131,170	20,126,575
	Fixed rate	36 monthly instalments commencing from December 2025	-	-	10,011,726
	Fixed rate	12 quarterly instalments commencing from February 2025	-	1,212,983	1,816,745
				66,070,593	87,441,331
GROUP COMPANIES					
Asian Hotels and Properties PLC	Fixed rate	Repayable within 3 months	-	-	64,962
	AWPLR plus margin revised monthly	Repayable in full within one year	-	-	140,110
Ceylon Cold Stores PLC	Fixed rate	48 monthly instalments with one year grace period	-	25,002	130,052
	Monthly AWPLR on clean basis	48 monthly instalments commencing from October 2024 after one year grace period	-	653,634	875,314
	Fixed Rate	48 monthly instalments commencing from November 2025 after one year grace period	-	80,780	-
	Fixed rate on clean basis	36 monthly instalments commencing from November 2025	-	113,517	-
Ceylon Holiday Resorts Limited	Fixed rate	48 monthly instalments after a grace period of 12 months commencing from January 2023	Letter of Comfort from John Keells Holdings PLC	163,405	344,340
	Fixed for the first 5 years and 1 month AWPLR plus margin for the next 5 years	102 monthly instalments commencing from August 2022 after 18 months grace period	Corporate Guarantee from John Keells Hotels PLC	1,980,000	2,323,430
	AWPLR to be reviewed monthly	36 monthly instalments from October 2025	Letter of Comfort from John Keells Holdings PLC	552,222	-

37. INTEREST-BEARING LOANS AND BORROWINGS (CONTD.)

37.2 Security and repayment terms (Contd.)

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2026 In Rs.'000s	2025 In Rs.'000s
Fantasea World Investment (Pvt) Ltd	3 months SOFR plus margin	22 quarterly instalments after 18 months grace period commencing from December 2018 and moratorium period of 12 months from March 2020 to February 2021	Leasehold rights of Island of Cinnamon Hakuraa Huraa.	1,445,488	2,299,482
Habarana Lodge Limited	AWPLR to be reviewed monthly	36 monthly instalments commencing from October 2025.	-	209,056	-
Habarana Walk Inn Limited	AWPLR to be reviewed monthly	36 monthly instalments commencing from October 2025.	-	189,333	-
Hikkaduwa Holiday Resorts (Pvt) Ltd	Fixed rate	72 monthly installments after a grace period of 12 months and moratorium period, commencing from July 2022	Corporate Guarantee from John Keells Hotels PLC	235,723	350,200
Jaykay Marketing Services (Pvt) Ltd	Fixed rate	20 equal quarterly instalments	-	-	600,000
	Fixed rate	20 equal quarterly instalments		100,000	400,000
	Fixed rate	Repayment on maturity - the date falling 36 months from the first drawdown date	-	2,000,000	2,000,000
	Fixed rate	24 equal monthly instalments	-	68,750	233,750
John Keells Logistics (Pvt) Ltd	Fixed rate	24 quarterly installments commencing from July 2023	-	390,874	463,750
John Keells Hotels PLC	AWPLR to be reviewed monthly	8 bi-annaual installments commmencing after 6 months of grace period.	-	474,660	632,057
	Fixed for the first 3 years and 1 month AWPLR plus margin for the next 4 years	10 bi-annual installments commencing from June 2023 after 24 months grace period	Letter of Comfort from John Keells Holdings PLC	478,038	718,430
John Keells Warehousing (Pvt) Ltd	AWPLR plus margin	Monthly installments	-	32,800	66,400
Logipark International (Pvt) Ltd	COF plus margin	15 Quarterly installments and final bullet payment in the 58th month with 12 months grace period commencing October 2021	Mortgage over the property	456,957	1,416,957
Mackinnon Mackenzie and Company of Ceylon Limited	Fixed Rate	60 monthly installments after 06 months grace period	-	180,000	-
Rajawella Holdings Limited	Fixed Rate	60 monthly installments commenced from April 2020 after 1 year grace period	-	239,167	309,168
Tranquility (Pvt) Ltd	3 months SOFR plus margin	16 quarterly instalments after 12 months grace period commencing from September 2019 and moratorium period of 12 months from March 2020 to February 2021	Leasehold right on the Island of Kanuoiy Huraa in Kaafu (Male')	951,187	1,333,462

As at 31 March	Nominal Interest rate	Repayment terms	Assets Pledged and Collaterals	2026 In Rs.'000s	2025 In Rs.'000s
The Colombo Ice Company (Pvt) Ltd	Fixed Rate	48 monthly instalments commencing from May 2026 after one year grace period	-	2,195,872	-
Walkers Tours Limited	Fixed Rate	60 monthly installments	Mortgage over the Vehicles	164,833	207,833
Waterfront Properties (Pvt) Ltd	Compounded overnight SOFR plus margin	5 year loan with 6 months grace period and a structured repayment schedule and 6 months facility with equal instalments	WPL's assets (other than the residential and office buildings), sponsor support undertaking by John Keells Holdings PLC (JKH), pledge of shares held by JKH in the company	59,712,593	61,442,217
				139,164,484	163,793,245

38. EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

Employee contribution plans - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee defined benefit plan - gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation as at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

38. EMPLOYEE BENEFIT LIABILITIES (CONTD.)

38.1 Employee defined benefit plan - gratuity

As at 31 March In Rs.'000s	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	3,463,465	3,568,383	330,819	326,926
Change in business combination	2,868	-	-	-
Disposal of subsidiaries	(88,556)	-	-	-
Current service cost	453,903	359,632	27,094	26,931
Transfers	-	-	687	(4,315)
Interest cost on benefit obligation	330,688	400,546	36,390	38,612
Payments	(378,408)	(405,001)	(61,623)	(27,875)
(Gain) / loss arising from changes in assumptions	560,951	(460,095)	34,662	(29,460)
At the end of the year	4,344,911	3,463,465	368,029	330,819
The expenses are recognised in the income statement in the following line items;				
Cost of sales	297,141	293,243	4,966	4,964
Selling and distribution expenses	47,206	37,739	-	-
Administrative expenses	440,244	429,196	58,518	60,579
	784,591	760,178	63,484	65,543

38.2 Other long term employee benefits

As at 31 March In Rs.'000s	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	-	22,400	-	-
Current service cost	-	(22,400)	-	-
Interest cost	-	-	-	-
At the end of the year	-	-	-	-

Accounting judgements, estimates and assumptions

Employee benefit liability - gratuity

The employee benefit liability of the Group is based on the actuarial valuation carried out by independent actuarial specialists. The actuarial valuations are involve in making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The principal assumptions used in determining the cost of employee benefits were:

For the year ended 31 March	2026	2025
Discount rate	9.00% - 11.00%	9.00% - 12.00%
Future salary increases	7.00% - 9.00%	6.00% - 9.00%

The adjusted treasury bond rate for the credit spread has been used as the discounted rate.

38.2 Sensitivity of assumptions used

A percentage change in the assumptions would have the following effects to employee defined benefit plan - gratuity.

As at 31 March In Rs.'000s	GROUP		COMPANY	
	2026	2025	2026	2025
Discount rate:				
1% Increase	(157,944)	(144,495)	(12,838)	(9,439)
1% Decrease	113,835	100,704	13,758	10,036
Salary Increment rate:				
1% Increase	126,500	112,433	14,734	11,065
1% Decrease	(142,581)	(157,340)	(13,970)	(10,566)

38.3 Maturity analysis of the payments

The following payments are expected on employee benefit plan - gratuity in future years.

As at 31 March In Rs.'000s	GROUP		COMPANY	
	2026	2025	2026	2025
Within the next 12 months	248,997	207,260	-	733
Between 1 and 2 years	416,731	213,616	11,306	-
Between 2 and 5 years	2,876,714	2,252,027	305,128	320,506
Between 5 and 10 years	677,705	692,967	51,595	-
Beyond 10 years	124,764	97,595	-	9,580
Total expected payments	4,344,911	3,463,465	368,029	330,819
Weighted average duration (years) of defined benefit obligation	4.88	6.77	5.02	4.14

39. OTHER NON CURRENT LIABILITIES

Accounting policy

Group non current liabilities includes advances and deposits.

As at 31 March In Rs.'000s	GROUP	
	2026	2025
Contract liabilities	84,428	414,610
Deposits	104,152	125,689
Other deferred liabilities	128,709	180,400
	317,289	720,699

40. TRADE AND OTHER PAYABLES

Accounting policy

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Trade and other payables	64,984,075	64,026,993	882,256	538,055
Contract liabilities	956,278	281,436	-	-
Reinsurance payables	582,012	656,798	-	-
Advances and deposits	1,310,292	1,761,976	-	-
	67,832,657	66,727,203	882,256	538,055

Trade and other payables are non-interest bearing and settled within one year. Reinsurance payables are settled within one year. For further explanation on the Group's liquidity risk management process refer Note 11.2.2.

41. SHORT TERM BORROWINGS

Accounting policy

Short term borrowings are the interest bearing borrowings of the Group which fall due within 12 months from the end of the financial year. These are obtained mainly for working capital requirements.

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Bank borrowings	54,863,125	15,518,937	25,128,574	4,100,000
	54,863,125	15,518,937	25,128,574	4,100,000

42. OTHER CURRENT LIABILITIES

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Non refundable deposits	2,464,437	1,347,857	-	-
Contract liabilities	8,130,394	2,839,026	-	-
Other tax payables	5,020,633	3,296,019	33,093	22,709
	15,615,464	7,482,902	33,093	22,709

43. RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with the following related entities. The list of Directors at each of the subsidiaries, joint venture and associate companies have been disclosed in the Group Directory under the Supplementary Information section of the Annual Report.

Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee" and Group directory.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing 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 the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing 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 the Securities and Exchange Commission Act.

43.1 Amounts due from related parties

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	Note	2026	2025	2026	2025
Entity including its affiliated entities with significant influence over parent		110,926	36,944	-	-
Subsidiaries	43.5	-	-	748,424	628,904
Equity accounted investees		506,240	543,191	170,317	211,944
Key management personnel		-	-	-	-
		617,166	580,135	918,741	840,848

43.2 Amounts due to related parties

		GROUP		COMPANY	
As at 31 March **In Rs.'000s**	Note	2026	2025	2026	2025
Entity including its affiliated entities with significant influence over parent		686,387	519,935	-	-
Subsidiaries	43.6	-	-	71,768	96,303
Equity accounted investees		102,304	21,722	4	30
Key management personnel		-	-	-	-
		788,691	541,657	71,772	96,333

43. RELATED PARTY TRANSACTIONS (CONTD.)

43.3 Transactions with related parties

For the year ended 31 March In Rs.'000s	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Entity including its affiliated entities with significant influence over parent					
Sale of goods		2,067	-	-	-
Purchase of goods		4,890,873	4,351,926	-	-
Rendering of services		74,248	62,532	-	-
Subsidiaries					
Purchases of goods		-	-	4,218	5,307
Rendering of services	43.5	-	-	3,055,504	2,467,962
Receiving of services	43.6	-	-	641,752	531,038
Rent paid		-	-	50,556	48,638
Dividend received		-	-	9,133,838	6,380,516
Equity accounted investees					
Sales of goods		105,699	96,065	-	-
Purchases of goods		183	-	-	-
Rendering of services	43.5	1,284,130	1,219,051	655,362	578,831
Receiving of services	43.6	34,186	255,590	661	362
Interest received	43.4	997,190	872,108	755,620	777,541
Interest paid	43.4	3,522	63,865	1	3
Dividend received		-	-	4,713,365	4,311,811
Key management personnel (KMP)					
Sale of goods		149,466	-	-	-
Receiving of services		188,105	-	-	-
Close family members of KMP					
Sale of goods		-	-	-	-
Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members					
Rendering of services		11,691	6,469	-	-
Receiving of services		39,851	34,013	-	-
Post employment benefit plan					
Contributions to the provident fund		552,480	462,172	162,421	141,486

43.4 Transactions with related parties - Associates

For the year ended 31 March In Rs.'000s	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Nations Trust Bank PLC				
Interest received	997,190	872,108	755,620	777,541
Interest paid	3,522	63,865	1	3

The Group held interest bearing deposits of Rs.18,322 Mn (2025 - Rs. 15,286 Mn) at Nations Trust Bank PLC as at 31 March 2026.

43.5 Related party transactions and balances

For the year ended/As at 31 March **In Rs.'000s**	COMPANY			
	Rendering of services		Amounts due from	
	2026	**2025**	**2026**	**2025**
Subsidiaries				
Asian Hotels and Properties PLC	85,795	81,361	31,890	16,654
Beruwala Holiday Resorts (Pvt) Ltd	30,435	21,753	3,030	2,812
British Overseas (Pvt) Ltd	350	-	413	-
Ceylon Cold Stores PLC	367,005	262,130	48,513	24,670
Ceylon Holiday Resorts Limited	25,597	21,353	2,998	2,142
Cinnamon Hotel Management Limited	194,222	164,336	57,929	84,035
Fantasea World Investments (Pvt) Ltd	15,328	10,105	1,274	1,089
Habarana Lodge Limited	24,874	16,591	2,503	2,098
Habarana Walk Inn Limited	19,628	12,844	2,134	1,620
Hikkaduwa Holiday Resorts (Pvt) Ltd	24,351	16,806	2,407	2,361
InfoMate (Pvt) Ltd	164,412	134,879	52,568	29,201
JayKay Marketing Services (Pvt) Ltd	863,075	691,094	193,825	190,798
John Keells CG Auto (Pvt) Ltd	74,864	-	37,573	-
John Keells Information Technologies (Pvt) Ltd	74,760	85,542	6,338	19,790
John Keells International (Pvt) Ltd	11,437	10,114	1,964	862
John Keells Logistics (Pvt) Ltd	49,958	44,809	105,045	75,661
John Keells Maldivian Resorts (Pvt) Ltd	6,163	5,313	473	517
John Keells Office Automation (Pvt) Ltd	57,788	52,213	28,500	23,812
John Keells PLC	29,267	26,962	3,105	2,919
John Keells Stock Brokers (Pvt) Ltd	19,458	18,444	131	-
John Keells Teas (Pvt) Ltd	657	3,732	-	451
John Keells Warehousing (Pvt) Ltd	5,506	5,034	593	529
Kandy Walk Inn Limited	-	15,795	-	1,946
Keells Consultants (Pvt) Ltd	4,676	4,696	2,312	1,073
Keells Food Products PLC	69,543	67,826	7,396	6,135
Lanka Marine Services (Pvt) Ltd	38,912	26,711	6,081	6,354
Mack Air (Pvt) Ltd	27,750	22,715	2,990	2,520
Mackinnon Keells Limited	3,155	2,675	300	263
Mackinnons Travels (Pvt) Ltd	20,522	16,293	4,951	2,799
Rajawella Holdings Limited	15,460	12,948	7,042	6,474
Tea Small Holder Factories PLC	-	7,188	-	1,373
The Colombo Ice Company (Pvt) Ltd	36,357	27,942	4,080	188
Tranquility (Pvt) Ltd	35,234	23,448	2,699	2,531
Trans Asia Hotels PLC	76,540	61,346	7,745	13,471
Travel Club (Pvt) Ltd	13,511	9,592	1,051	989
Trinco Holiday Resorts (Pvt) Ltd	19,305	13,943	1,998	1,655
Union Assurance PLC	158,952	175,591	44,193	52,354
Walkers Tours Limited	77,074	57,179	9,356	7,725
Waterfront properties (Pvt) Ltd	156,089	103,448	45,112	20,048
Whittall Boustead (Pvt) Ltd	67,507	50,920	4,154	7,473
Whittall Boustead (Travel) Ltd	12,462	11,062	1,402	767
Yala Village (Pvt) Ltd	19,817	14,081	3,600	1,724
Other subsidiaries	57,708	57,148	8,756	9,021
	3,055,504	2,467,962	748,424	628,904

43. RELATED PARTY TRANSACTIONS (CONTD.)

43.5 Related party transactions and balances (Contd.)

For the year ended/As at 31 March In Rs.'000s	COMPANY			
	Rendering of services		Amounts due from	
	2026	2025	2026	2025
Joint ventures				
DHL Keells (Pvt) Ltd	587,306	527,292	117,357	133,233
Braybrooke Residential Properties (Pvt) Ltd	1,521	1,180	210	116
Inchcape Mackinnon Mackenzie (Pvt) Ltd	1,024	1,508	252	162
Associates				
Indra Hotels & Resorts Kandy (Pvt) Ltd	12,641	3,290	2,467	3,933
Fairfirst Insurance Limited	-	-	-	65
Nations Trust Bank PLC	-	-	-	678
Saffron Aviation (Pvt) Ltd	9,313	7,223	4,011	2,289
South Asia Gateway Terminals (Pvt) Ltd	12,434	10,141	2,963	2,092
Capital Hotel Holdings (Pvt) Ltd	20,413	14,792	2,035	1,658
Colombo West International Terminal (Pvt) Ltd	10,710	13,405	41,022	67,718
	655,362	578,831	170,317	211,944

43.6 Related party transactions and balances

For the year ended/As at 31 March In Rs.'000s	COMPANY			
	Receiving of services		Amounts due to	
	2026	2025	2026	2025
Subsidiaries				
Asian Hotels and Properties PLC	13,905	-	8,420	2,665
Cinnamon Hotel Management Limited	-	-	14,865	-
InfoMate (Pvt) Ltd	19,646	12,569	7,127	3,672
Trans Asia Hotels PLC	17,910	-	16,090	7,048
John Keells Information Technologies (Pvt) Ltd	498,486	468,862	10,368	65,891
John Keells Singapore (Pte) Ltd	36,686	25,039	-	-
Mackinnons Travels (Pvt) Ltd	-	-	8,596	1,017
Whittall Boustead (Pvt) Ltd	20,188	14,668	3,093	3,376
Other subsidiaries	34,931	9,900	3,209	12,634
	641,752	531,038	71,768	96,303
Joint ventures				
DHL Keells (Pvt) Ltd	661	362	4	-
Associates				
Fairfirst Insurance Limited	-	-	-	30
	661	362	4	30

Details of inter-company assets pledged and given as collateral for loans and borrowings can be found in Interest-bearing loans and borrowings Note 37.2 in the financial statements

43.7 Compensation of key management personnel

Key management personnel include members of the Board of Directors of John Keells Holdings PLC and its subsidiary companies.

For the year ended 31 March **In Rs.'000s**	GROUP		COMPANY	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	1,424,398	1,028,896	517,071	378,798
Post employment benefits	21,531	17,450	7,352	6,475
Share based payments	213,125	157,478	67,595	49,593
	1,659,054	1,203,824	592,018	434,866

Directors' interest in the employee share option plan of the Company

As at 31 March 2026, the executive members of the Board of Directors held options to purchase ordinary shares under the employee share option plan as follows;

COMPANY

Expiry date	2026			2025		
	Adjusted exercise price Rs.	Number of shares outstanding at the end of period	Number of shares exercisable at the end of period	Exercise price Rs.	Number of shares outstanding at the end of period	Number of shares exercisable at the end of period
30.06.2025	-	-	-	13.26	4,310,164	4,310,164
30.06.2026	13.64	4,310,164	4,310,164	13.64	8,820,801	6,615,602
30.06.2027	12.17	5,257,398	3,097,305	12.17	8,640,376	4,320,189
30.06.2028	14.53	5,108,046	1,651,896	14.53	6,912,301	1,728,075
30.06.2029	20.03	8,565,199	2,141,300	20.03	8,565,199	-
30.06.2030	21.80	11,007,000	-	-	-	-

No share options have been granted to the non-executive members of the Board of Directors under the employee share option plan.

OTHER DISCLOSURES

44. CONTINGENT LIABILITIES

Accounting policy

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of: the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15). Contingent assets are disclosed, where inflow of economic benefit is probable.

44. CONTINGENT LIABILITIES (CONTD.)

The contingent liabilities of the Company and the Group as at 31 March 2026, relate to the following:

JOHN KEELLS HOLDINGS PLC (JKH)

The contingent liability of the Company as at 31 March 2026, relates to the following:

Income tax assessment relating to year of assessment 2006/07.

The Company has lodged appeals against the assessment and is contesting it under appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026, is estimated at Rs.54 Mn.

CEYLON COLD STORES PLC (CCS)

The contingent liability of CCS as at 31 March 2026, relates to the following:

Income tax assessment relating to year of assessment 2009/10 to 2016/17.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.36.5 Mn.

LANKA MARINE SERVICES (PVT) LTD (LMS)

The contingent liability of LMS as at 31 March 2026, relates to the following:

Income tax assessments relating to year of assessment 2014/15.

Assessments yet to be decided under the appellate procedure.

Income tax assessment relating to year of assessment 2016/17, 2017/18, 2018/19, 2019/20 & 2020/21.

On-going cases in the Court of Appeal.

VAT assessment relating to June 2007 to March 2011 & June 2016 to March 2024.

Assessments yet to be decided under the appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026 is estimated at Rs.526 Mn.

MACKINNONS TRAVELS (PVT) LTD (MTL)

The contingent liability of MTL as at 31 March 2026, relates to the Following:

Value Added Tax assessments relating to the periods from 1 April 2009 to 31 March 2011 and 1 January 2017 to 30 November 2019.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026 is estimated at Rs.108 Mn.

CINNAMON HOTEL MANAGEMENT LIMITED (CHML)

The contingent liability of CHML as at 31 March 2026, relates to the following:

Income tax assessment relating to years of assessment 2018/19.

The company has lodged an appeal against the assessment and is contesting it under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.1.2 Mn.

TRANS ASIA HOTELS PLC (TAH)

The contingent liability of TAH as at 31 March 2026, relates to the following:

Income tax assessments relating to years of assessments 2012/13 to 2017/18.

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.183.3 Mn.

WALKERS TOURS LIMITED (WTL)

The contingent liability of WTL as at 31 March 2026, relates to the following:

Income tax assessment relating to years of assessment 2012/13 to 2022/23

The company has lodged an appeal against the assessment and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.69.4 Mn.

JOHN KEELLS HOTELS PLC (JK HOTELS PLC)

The contingent liability of JK Hotels PLC as at 31 March 2026, relates to the following:

Income tax assessments relating to years of assessment 2018/19 and 2019/20

The company has lodged appeals against the assessments and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.3.9 Mn.

HABARANA WALK INN LIMITED (HWI)

The contingent liability of HWI as at 31 March 2026, relates to the following:

Income tax assessment relating to year of assessment 2019/20.

The company has lodged appeal against the assessments and is contesting these under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.32.8 Mn.

HABARANA LODGE LIMITED (HLL)

The contingent liability of HWI as at 31 March 2026, relates to the following:

Income tax assessment relating to year of assessment 2021/22.

The company has lodged appeals against the assessments and is contesting it under appellate procedure.

Having discussed with legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs.0.4 Mn.

UNION ASSURANCE PLC (UA)

The contingent liability of UA as at 31 March 2026, relates to the following:

Value Added Tax assessments relating to the periods from 1 January 2018 to 30 September 2019.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026, is estimated at Rs.0.07 Mn.

VAT on Financial Services and NBT on Financial Services assessments relating to the periods from 1 January 2016 to 31 December 2016, 1 January 2019 to 31 December 2019, 1 January 2021 to 31 December 2021, 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026, is estimated at Rs.1,229.7 Mn.

Income Tax Assessments received for years of assessments 2010/11 to 2021/22 .

The assessments were raised for the above years of assessment by making life insurance income liable to pay income taxes of Rs 5,913.2 Mn in total. The company has lodged valid appeals against the assessments raised and is contesting these under the appellate procedure.

The court of appeal delivered the order on 19 February 2026 for Y/A 2010/11, 2011/12 and 2015/16 in favour of the company allowing the company to deduct all management expenses against the investment income of the life insurance business.

Having discussed with legal and tax experts and based on information available, the Directors are of the view that the company has followed due process and acted in accordance with the prevailing laws in its tax submissions for years of assessment from 2010/11 to 2021/22 and accordingly have concluded that the above assessments have no rationale or basis in law.

44. CONTINGENT LIABILITIES (CONTD.)

Dispute over the surcharge tax liability where the company used the income tax base of year of assessment 2020/21 in calculating the tax liability relating to the period from 1 January 2020 to 31 December 2020.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026, is estimated at Rs.476 Mn.

Social Security Contribution Levy assessments relating to the periods from 1 January 2023 to 31 December 2023.

The company has lodged appeals against the assessments and is contesting these under the appellate procedure.

Having discussed with legal and tax experts and based on information available, the contingent liability as at 31 March 2026, is estimated at Rs.79 Mn

45. CAPITAL AND OTHER COMMITMENTS

	GROUP		COMPANY	
As at 31 March **In Rs.'000s**	**2026**	**2025**	**2026**	**2025**
Capital commitments approved but not provided for	13,311,370	28,514,231	-	-
Guarantees*	11,686,015	3,366,272	3,477,299	2,804,948
	24,997,385	31,880,503	3,477,299	2,804,948

* Group and Company guarantees include Nil (2025 - Rs.1,778 Mn) provided on behalf of equity accounted investees.

The reduction of Capital Commitments of the Group is from Waterfront Properties (Pvt) Ltd, a subsidiary of John Keells Group due to construction and capitalisation of capital assets.

The value of the Group's guarantees for 2025/26 includes Guarantees amounting to Rs.7,513 Mn given by John Keells CG Auto (Pvt) Ltd (JKCG), a subsidiary of John Keells Group to the Sri Lanka Customs, in relation to the ongoing dispute regarding the motor power of certain vehicle models. JKCG has contested the basis on which the Customs were refraining from clearing the vehicles and sought Interim Relief from the Court of Appeal of Sri Lanka to release the said vehicles. Sri Lanka Customs agreed to release the said vehicles on the basis of JKCG providing guarantees until such time the issue is resolved.

46. ASSETS PLEDGED

Assets pledged for facilities obtained are given in Note 37.2 to the financial statements.

47. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared a final dividend of Rs.0.10 per share for the financial year ended 31 March 2026. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend which is to be paid on or before 24 June 2026.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2026.

BEHIND THE NUMBERS

SUPPLEMENTARY INFORMATION

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ECONOMIC VALUE STATEMENT

For the year ended 31 March In Rs. Mn.	Transportation		Leisure		Property		Consumer Foods		Financial Services	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Direct economic value generated										
Revenue	62,927	54,998	70,850	53,257	12,699	9,379	47,945	41,691	25,478	21,293
Finance income	409	318	2,791	2,914	848	662	3,637	2,399	15,183	14,124
Share of results of equity accounted investees	5,221	5,326	(129)	(75)	414	(231)	-	-	6,475	5,938
Profit on sale of assets & other income	206	110	3,366	1,524	371	169	1,271	1,066	1,996	48
Valuation gain/loss on IP	-	-	981	75	1,260	795	17	19	-	-
	68,763	60,752	77,859	57,695	15,592	10,774	52,870	45,175	49,132	41,403
Economic value distributed										
Operating costs	57,351	52,185	50,694	38,880	10,413	7,638	31,143	27,223	31,034	24,762
Employee wages & benefits	1,442	992	13,436	12,167	1,126	1,078	5,910	5,287	2,562	2,108
Payments to providers of funds	1,297	969	10,970	5,909	756	816	7,920	6,436	3,388	3,289
Payments to government	1,267	138	1,291	715	224	83	2,486	1,978	1,794	1,502
Community investments	56	15	54	35	6	9	101	36	77	25
	61,413	54,299	76,445	57,706	12,525	9,624	47,560	40,960	38,855	31,686
Economic value retained										
Depreciation	280	222	9,148	5,356	82	80	1,454	1,208	144	121
Amortisation	112	107	2,470	2,337	21	21	169	162	624	572
Profit after dividends	6,958	6,124	(10,204)	(7,704)	2,964	1,049	3,687	2,845	9,509	9,024
Retained for reinvestment / growth	7,350	6,453	1,414	(11)	3,067	1,150	5,310	4,215	10,277	9,717

Above data has been derived from the audited Financial Statements that were prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS).

This report has been prepared in accordance with the GRI Standards: Core option

	Retail		Others		Total		Eliminations/ Adjustments		GROUP			
	2026	2025	2026	2025	2026	2025	2026	2025	2026	%	2025	%
	316,898	140,507	8,416	9,776	545,213	330,901	(16,362)	(13,523)	528,851	92.49	317,378	89.70
	366	69	18,521	21,011	41,755	41,497	(21,026)	(20,886)	20,729	3.62	20,611	5.83
	-	(179)	-	-	11,981	10,779	-	-	11,981	2.10	10,779	3.05
	4,490	3,324	718	304	12,418	6,545	(4,471)	(2,468)	7,947	1.39	4,077	1.15
	4	5	38	63	2,300	957	-	-	2,300	0.40	957	0.27
	321,758	143,726	27,693	31,154	613,667	390,679	(41,859)	(36,877)	571,808	100.00	353,802	100.00
	272,815	121,596	17,653	17,276	471,103	289,560	(18,998)	(16,831)	452,105	79.07	272,729	77 .09
	11,326	7,922	4,809	4,158	40,611	33,712	-	-	40,611	7.10	33,712	9.53
	14,681	4,383	14,000	18,286	53,012	40,088	(18,182)	(17,591)	34,830	6.09	22,497	6.36
	8,223	3,125	226	105	15,511	7,646	-	-	15,511	2.71	7,646	2.15
	95	18	66	131	455	269	-	-	455	0.08	269	0.08
	307,140	137,044	36,754	39,956	580,692	371,275	(37,180)	(34,422)	543,512	95.05	336,853	95.21
	2,259	1,831	128	206	13,495	9,024	-	-	13,495	2.36	9,024	2.55
	2,057	1,713	387	142	5,840	5,054	-	-	5,840	1.02	5,054	1.43
	10,302	3,138	(9,576)	(9,150)	13,640	5,326	(4,679)	(2,455)	8,961	1.57	2,871	0.81
	14,618	6,682	(9,061)	(8,802)	32,975	19,404	(4,679)	(2,455)	28,296	4.95	16,949	4.79

DECADE AT A GLANCE

In Rs. Mn 31 March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
OPERATING RESULTS										
Group revenue	528,851	317,378	280,773	276,640	218,075	127,676	138,956	135,456	121,215	106,273
EBIT	62,623	33,324	37,683	40,392	34,359	7,931	15,508	20,198	28,155	23,324
Finance cost	(24,935)	(18,443)	(19,669)	(17,803)	(7,035)	(4,669)	(3,166)	(2,722)	(521)	(436)
Share of results of equity accounted investees (net of tax)	11,981	10,779	10,129	7,574	6,746	4,159	4,466	4,727	3,596	3,303
Profit before tax	37,688	14,881	18,014	22,589	27,324	5,445	12,403	18,616	27,634	22,888
Tax expense	(15,606)	(7,957)	(5,886)	(3,693)	(6,882)	(1,494)	(2,662)	(2,378)	(4,515)	(4,771)
Profit after tax	22,082	6,924	12,128	18,896	20,443	3,951	9,741	16,237	23,120	18,117
Attributable to:										
Equity holders of the parent	13,640	5,326	11,249	18,174	20,213	4,772	9,414	15,254	21,021	16,275
Non-controlling interests	8,442	1,598	879	722	230	(821)	327	983	2,099	1,842
	22,082	6,924	12,128	18,896	20,443	3,951	9,741	16,237	23,120	18,117
CAPITAL EMPLOYED										
Stated capital	133,798	132,512	90,602	73,188	73,188	63,102	62,881	62,806	62,802	62,790
Capital reserves and other components of equity	136,084	132,526	136,453	146,091	129,011	72,403	66,085	58,646	49,852	38,652
Revenue reserves	144,884	134,041	130,812	121,743	109,087	90,652	87,885	82,834	87,266	77,193
	414,766	399,079	357,867	341,022	311,286	226,157	216,851	204,286	199,920	178,635
Non-controlling interest	24,941	19,724	19,609	19,396	18,805	16,830	26,872	26,072	24,944	15,696
Total equity	439,707	418,803	377,476	360,418	330,091	242,987	243,723	230,358	224,864	194,331
Total debt	272,999	240,443	246,065	264,060	268,228	172,904	100,907	54,513	29,722	22,766
	712,706	659,246	623,541	624,478	598,319	415,891	344,630	284,871	254,586	217,097
ASSETS EMPLOYED										
Property, plant and equipment (PPE)	404,057	419,298	382,989	362,097	124,348	113,077	111,534	97,688	87,260	64,396
Non-current assets other than PPE	290,399	239,308	214,092	199,604	354,518	257,226	204,360	170,687	136,427	107,912
Current assets	234,668	187,312	174,110	182,806	238,929	166,491	121,050	95,421	98,762	104,964
Liabilities net of debt	(216,418)	(186,672)	(147,650)	(120,028)	(119,476)	(120,903)	(92,314)	(78,925)	(67,862)	(60,175)
	712,706	659,246	623,541	624,478	598,319	415,891	344,630	284,871	254,587	217,097
CASH FLOW										
Net cash flows from operating activities	25,857	41,462	32,751	11,444	30,440	13,825	(10,350)	(4,743)	16,012	21,020
Net cash flows from / (used in) investing activities	(23,478)	(68,385)	(60,081)	(78,889)	39,363	(44,944)	(27,039)	(8,452)	(16,640)	(17,670)
Net cash flows from / (used in) financing activities	(5,875)	28,488	(3,040)	(26,810)	31,693	55,427	18,431	(11,000)	(4,587)	(4,105)
Net increase / (decrease) in cash and cash equivalents	(3,496)	1,565	(30,370)	(94,254)	101,495	24,308	(18,959)	(14,709)	(5,215)	(755)
KEY INDICATORS										
Basic earnings per share (Rs.)	0.77	0.32	0.69	1.12	1.25	0.29	0.58	0.94	1.29	1.00
Interest cover (no. of times)	2.5	1.8	1.9	2.3	4.9	1.7	4.9	7.8	54	52.8
Net assets per share* (Rs.)	23.4	22.6	20.3	19.3	17.7	12.8	12.3	11.6	11.3	10.1
Enterprise value (EV) (Rs.)	497,797	502,291	450,008	357,609	311,951	244,679	186,236	210,020	187,926	136,022
EV / EBITDA	6	11	11	7.7	10.7	15.7	9.2	8.5	5.8	5.0
ROE (%)	3.4	1	3.2	5.6	7.5	2.2	4.5	7.5	11.1	9.8
Debt / equity ratio (%)	62.1	57.4	65.2	73.3	81.3	71.2	41.4	23.7	13.2	11.7
Net debt excl. leases (cash)/Equity (%)	31.2	27.7	33.7	35.9	23.5	20.0	14.0	1.9	(14.9)	(28.5)
Dividend payout (Rs.Mn)	4,420	2,457	2,080	2,770	2,012	1,978	4,614	8,186	8,325	7,280
Current ratio (no. of times)	1.1	1.2	1.3	2.0	1.8	2.3	2.1	1.7	3.0	3.7
Market price per share unadjusted (Rs.)	18.40	20.20	194.0	140.0	145.0	148.5	115.4	156.0	159.6	137.9
Market price per share diluted (Rs.)	18.40	20.20	194.0	140.0	145.0	148.5	115.4	156.0	159.6	137.9
Revenue growth rate (%)	66.6	13	1.5	26.9	70.8	(8.1)	2.6	11.8	14.1	13.4
USD closing rate (Rs.)	315.38	296.33	300.4	329.5	305.0	200.3	189.6	175.5	155.9	151.9
USD average rate (Rs.)	304.47	298.02	318.1	360.4	208.3	189.0	179.4	168.6	153.6	148.0

* Net assets per share has been calculated, for all periods, based on the net assets of the Group and number of shares in issue as at 31 March 2026.

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

INCOME STATEMENT

FOR INFORMATION PURPOSES ONLY

	GROUP		COMPANY	
For the year ended 31 March **In USD '000s**	**2026**	2025	**2026**	2025
Continuing operations				
Revenue from contracts with customers	1,597,902	1,000,352	12,200	10,732
Revenue from Insurance Contracts	78,993	70,694	-	-
Total Revenue	**1,676,895**	**1,071,046**	**12,200**	**10,732**
Cost of sales	(1,346,187)	(856,651)	(6,815)	(6,464)
Gross profit	**330,708**	**214,395**	**5,385**	**4,268**
Dividend income	-	-	43,907	36,099
Other operating income	25,198	13,758	1,433	450
Selling and distribution expenses	(47,353)	(44,059)	-	-
Administrative expenses	(139,639)	(108,068)	(13,909)	(9,025)
Other operating expenses	(32,434)	(28,027)	(413)	(1,335)
Results from operating activities	**136,480**	**47,999**	**36,403**	**30,457**
Finance cost	(79,066)	(62,238)	(28,075)	(34,287)
Finance income	65,728	69,554	16,330	16,221
Change in insurance contract liabilities	(48,925)	(44,701)	-	-
Change in fair value of investment property	7,292	3,229	-	-
Share of results of equity accounted investees (net of tax)	37,990	36,375	-	-
Profit before tax	**119,499**	**50,218**	**24,658**	**12,391**
Tax expense	(49,484)	(26,853)	(351)	(517)
Profit for the year	**70,015**	**23,365**	**24,307**	**11,874**
Attributable to:				
Equity holders of the parent	43,247	17,973		
Non-controlling interests	26,768	5,392		
	70,015	**23,365**		
Earnings per share				
Basic earnings per ordinary share	0.0024	0.0011		
Diluted earnings per ordinary share	0.0024	0.0011		

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditor's opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/Rs.315.38 (2025 - 296.33) have been used to convert the income statement and statement of financial position.

INDICATIVE US DOLLAR FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

FOR INFORMATION PURPOSES ONLY

As at 31 March **In USD '000s**	GROUP		COMPANY	
	2026	**2025**	**2026**	**2025**
ASSETS				
Non-current assets				
Property, plant and equipment	1,281,195	1,414,992	210	327
Right- of - use assets	170,811	166,303	290	361
Investment properties	179,229	105,904	-	-
Intangible assets	51,812	53,473	8,383	9,370
Investments in subsidiaries	-	-	841,900	828,049
Investments in equity accounted investees	211,878	208,405	91,238	97,263
Non-current financial assets	295,169	258,446	5,705	8,042
Deferred tax assets	5,584	4,982	-	-
Other non-current assets	6,321	10,074	300	359
	2,201,999	2,222,579	948,026	943,771
Current assets				
Inventories	185,007	130,635	-	-
Trade and other receivables	144,254	107,341	1,517	2,402
Amounts due from related parties	1,957	1,958	2,913	2,838
Other current assets	50,197	35,962	3,316	2,486
Short term investments	297,877	305,109	183,929	208,552
Cash in hand and at bank	64,799	51,113	1,507	1,671
	744,091	632,118	193,182	217,949
Total assets	2,946,090	2,854,697	1,141,208	1,161,720
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	424,249	447,183	424,249	447,183
Revenue reserves	459,401	452,344	343,138	354,360
Other components of equity	431,498	447,232	16,620	19,003
	1,315,148	1,346,759	784,007	820,546
Non-controlling interest	79,082	66,563	-	-
Total equity	1,394,230	1,413,322	784,007	820,546
Non-current liabilities				
Insurance contract liabilities	310,273	278,596	-	-
Interest-bearing loans and borrowings	343,309	462,735	166,334	246,104
Lease liabilities	99,837	92,465	285	341
Deferred tax liabilities	77,080	78,309	9,806	10,084
Employee benefit liabilities	13,777	11,688	1,167	1,116
Other non-current liabilities	1,006	2,432	-	-
	845,282	926,225	177,592	257,645
Current liabilities				
Trade and other payables	215,086	225,182	2,797	1,816
Amounts due to related parties	2,501	1,828	228	325
Income tax liabilities	16,992	6,671	819	871
Short term borrowings	173,962	52,371	79,678	13,836
Interest-bearing loans and borrowings	97,958	90,013	43,164	48,982
Lease liabilities	10,879	8,882	35	27
Other current liabilities	49,515	25,253	105	77
Bank overdrafts	139,685	104,950	52,783	17,595
	706,578	515,150	179,609	83,529
Total equity and liabilities	2,946,090	2,854,697	1,141,208	1,161,720

This information does not constitute a full set of financial statements in compliance with SLFRS/LKAS. The above should be read together with the Auditors' opinion and the notes to the financial statements. Exchange rates prevailing at year end USD/Rs.315.38 (2025 - 296.33) have been used to convert the income statement and statement of financial position.

GROUP REAL ESTATE PORTFOLIO

Owning company and location	Number of Buildings	Buildings in (sq. ft.)	Land in acres Freehold	Land in acres Leasehold	Net book value 2026 Rs.'000s	Net book value 2025 Rs.'000s
PROPERTIES IN COLOMBO						
John Keells PLC						
56/1, 58, 58 1/1 Kirulapone Avenue, Colombo 5.	-	-	0.08	-	1,250	1,250
Keells Realtors Limited						
427/80, Ferguson Road, Colombo 15.	-	-	-	-	-	313,143
Mackinnon Keells Limited						
Leyden Bastian Road, York Street, Colombo 1.	1	31,656	0.45	-	826,319	796,219
Union Assurance PLC						
No 20, St. Michaels' Road, Colombo 3.	1	57,916	0.58	-	2,989,759	2,898,290
Vauxhall Developments (Pvt) Ltd						
No.199, Union Place, Colombo 2 and 148, Vauxhall Street, Colombo 2.	7	209,484	3.56	-	10,696,522	10,483,773
No.188, 188/1, 188/2, 190, 192 Vauxhall Street, Colombo 2 and 42, Dawson Street, Colombo 2.	-	-	2.09	-	6,146,184	5,978,285
No. 186, 186/3 Vauxhall Street, Colombo 2.	-	-	3.72	-	11,311,471	10,928,939
Waterfront Properties (Pvt) Ltd						
No 5, Justice Akbar Mawatha, Slave Island, Colombo 2.	1	197,106	-	-	17,877,134	16,851,027
Glennie Properties (Pvt) Ltd						
No.82, Glennie Street, Colombo 2.	-	-	0.08	-	230,280	221,190
	10	496,162	10.56	-	50,078,919	48,472,116
PROPERTIES OUTSIDE COLOMBO						
Ceylon Cold Stores PLC						
Mathugama.	3	30,822	5.02	-	277,284	373,860
Kaduwela.	21	405,393	27.35	-	2,558,451	2,473,016
Trincomalee.	3	18,102	1.09	-	394,104	377,104
Kotagala.	6	13,354	-	0.71	111,829	110,183
Facets (Pvt) Ltd						
Ahungalla.	-	-	6.31	-	605,292	580,100
John Keells PLC						
17/1, Temple Road, Ekala, Ja-Ela.	1	1,200	3.77	-	556,400	543,500
John Keells Warehousing (Pvt) Ltd						
Muthurajawela.	3	149,543	-	6.19	803,491	772,332
Keells Food Products PLC						
41, Temple Road, Ekala, Ja-Ela.	12	51,778	3.00	1.00	597,520	537,242
Gonawala, Pannala.	6	41,956	3.86	4.08	431,288	375,842
Logipark International (Pvt) Ltd						
Muthurajawela.	3	244,277	-	9.23	2,662,610	2,736,729
Rajawella Holdings Limited						
Mahaberiatenna, Kandy.	18	56,771	-	367.83	680,216	705,328
Tea Smallholder Factories PLC						
Broadlands.	-	-	-	-	-	153,960
Halwitigala.	-	-	-	-	-	125,113
Hingalgoda.	-	-	-	-	-	164,211
Karawita.	-	-	-	-	-	144,328
Kurupanawa.	-	-	-	-	-	164,072
Neluwa.	-	-	-	-	-	127,833
New Panawenna.	-	-	-	-	-	146,728
Peliyagoda.	-	-	-	-	-	524,100
	76	1,013,196	50.40	389.04	9,678,485	11,135,581

GROUP REAL ESTATE PORTFOLIO

Owning company and location	Number of Buildings	Buildings in (sq. ft.)	Land in acres Freehold	Land in acres Leasehold	Net book value 2026 Rs.'000s	Net book value 2025 Rs.'000s
PROPERTIES OUTSIDE COLOMBO						
The Colombo Ice Company (Pvt) Ltd Avissawella.	9	182,937	-	9.30	2,189,893	1,872,442
J K Thudella Properties (Pvt) Ltd Tudella, Ja-Ela.	-	-	12.11	-	891,434	872,055
Union Assurance PLC No 06,Rajapihilla Road, Kurunegala.	1	27,412	0.20	-	444,915	414,378
Whittall Boustead (Pvt) Ltd 150, Badulla Road, Nuwara Eliya.	1	4,343	0.46	-	245,733	227,319
	87	1,227,888	63.17	398.34	13,450,460	14,521,775
HOTEL PROPERTIES						
Asian Hotels and Properties PLC Cinnamon Grand Premises, Colombo 2.	4	745,439	6.64	-	35,738,497	34,429,575
Crescat Boulevard, Colombo 2.	1	145,196	1.39	-	2,465,048	2,443,326
Ahungalla Holiday Resort (Pvt) Ltd Ahungalla.	-	-	6.51	-	384,000	366,700
Beruwala Holiday Resorts (Pvt) Ltd Cinnamon Bey, Beruwala.	9	345,355	10.82	-	5,696,093	5,533,444
Ceylon Holiday Resorts Limited Bentota Beach Hotel, Bentota.	8	323,505	0.7	11.92	5,085,266	5,083,231
Fantasea World Investments (Pvt) Ltd Cinnamon Hakuraa Huraa Maldives.	163	236,730	-	18.90	10,517,635	10,372,042
Habarana Lodge Limited Cinnamon Lodge Habarana.	79	101,162	-	36.09	893,257	900,347
Habarana Walk Inn Limited Cinnamon Village Habarana.	84	91,369	-	9.34	317,270	355,237
Hikkaduwa Holiday Resort (Pvt) Ltd Hikka Tranz by Cinnamon.	6	229,953	0.29	4.37	2,048,754	2,051,584
Kandy Walk Inn Limited Cinnamon Citadel, Kandy.	-	-	-	-	-	2,092,247
Resort Hotels Limited Medway Estate, Nilaveli.	-	-	41.73	-	1,227,300	1,154,300
Trans Asia Hotels PLC Cinnamon Lake Side, Colombo 2.	3	399,931	-	7.65	8,848,081	8,045,635
Tranquility (Pvt) Ltd Cinnamon Dhonveli Maldives.	146	261,327	-	17.16	25,003,072	23,894,301
Cinnamon Velifushi Maldives.	145	263,512	-	13.22	3,817,650	4,513,907
Travel Club (Pvt) Ltd Ellaidhoo Maldives by Cinnamon.	115	178,294	-	13.80	3,548,325	4,196,206
Trinco Holiday Resorts (Pvt) Ltd Trinco Blu by Cinnamon.	9	128,079	13.24	-	2,164,157	1,845,686
Trinco Walk Inn Limited Club Oceanic, Trincomalee.	-	-	14.15	-	722,167	441,242
Waterfront Properties (Pvt) Ltd No 5, Justice Akbar Mawatha, Slave Island, Colombo 2.	3	2,979,240	6.05	1.58	228,082,517	169,713,712
Wirawila Walk Inn Limited Randunukelle Estate, Wirawila.	-	-	25.15	-	113,200	109,513
Yala Village (Pvt) Ltd Cinnamon Wild Yala.	78	95,668	-	10.00	629,076	642,281
Yala Adventure Park (Pvt) Ltd Palatupana, Yala	-	-	-	2.75	88,100	-
	853	6,524,760	126.67	146.78	337,389,465	278,184,516
Improvements to Keells Super outlets and John Keells CG Auto showrooms on leased hold properties	163	1,993,602	-	218.55	26,443,820	19,586,025
Consolidated Value of Land and Buildings, Right of Use Assets and Investment Property	1,113	10,242,112	200.40	763.67	427,362,664	360,764,432

GLOSSARY

ACCRUAL BASIS

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed during that period.

ASSET TURNOVER

Revenue including equity accounted investees divided by average total assets.

BETA

Covariance between daily JKH share return and market return divided by variance of daily market return, over a 5-year period.

CAPITAL EMPLOYED

Shareholders' funds plus non-controlling interests and total debt including lease liabilities.

CAPITAL STRUCTURE LEVERAGE (CSL)

Average total assets divided by average shareholders' equity.

CASH EARNINGS PER SHARE

Profit attributable to equity holders of the parent adjusted for non-cash items minus share of profits of equity accounted investees plus dividends from equity accounted investees divided by the weighted average number of ordinary shares in issue during the period.

CITY OF DREAMS SRI LANKA (CODSL)

Refer to the 687-key Cinnamon Life hotel, 113-key Nuwa hotel, Retail Mall and Casino Space. This excludes the residential and office towers at Cinnamon Life.

COMMON EARNINGS LEVERAGE (CEL)

Profit attributable to equity holders of the parent divided by profit after tax.

CONTINGENT LIABILITIES

A condition or situation existing as at the date of the Report due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or non-occurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. The obligation cannot be measured with sufficient reliability.

CURRENT RATIO

Current assets divided by current liabilities.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and non-controlling interests.

DILUTED EARNINGS PER SHARE (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for options granted but not exercised.

DIVIDEND PAYABLE

Final dividend per share multiplied by the latest available total number of shares as at the date of the Report.

DIVIDEND PAYOUT RATIO

Dividend paid as a percentage of Group profits attributed to equity holders.

DIVIDEND YIELD

Dividends adjusted for changes in number of shares in issue as a percentage of the share price (diluted) at the end of the period.

EARNINGS PER SHARE (BASIC}

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

EBITDA

Earnings before interest expense, tax, depreciation and amortisation (includes other operating income). Note that EBITDA includes interest income, fair value gains and losses on investment property and share of results of equity accounted investees but excludes exchange gains or losses (other than that of equity accounted investees).

EBIT

Earnings before interest expense and tax (includes other operating income}. Note that EBIT includes interest income, fair value gains and losses on investment property, depreciation and amortisation, and share of results of equity accounted investees, but excludes exchange gains or losses (other than that of equity accounted investees).

EBIT MARGIN

EBIT divided by revenue inclusive of share of equity accounted investees.

EFFECTIVE RATE OF TAXATION

Tax expense divided by profit before tax.

ENTERPRISE VALUE (EV)

Market capitalisation plus net debt/(net cash}.

INTEREST COVER

EBIT excluding fair value gains on investment property dividend by interest expense.

LIABILITIES TO TANGIBLE NET WORTH

Total non-current and current liabilities, including contingent liabilities, divided by tangible net worth.

LONG-TERM DEBT TO TOTAL DEBT

Long-term loans and similar obligations as a percentage of total debt.

MARKET CAPITALISATION

Number of shares in issue at the end of the period multiplied by the market price at the end of the period.

NET ASSETS

Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

NET ASSETS PER SHARE

Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

GLOSSARY

NET DEBT (CASH)

Total debt minus cash and cash equivalents.

Cash and cash equivalents include cash in hand and at bank and short term investments, deposits with a maturity between one and three years held at the Holding Company, excluding short-term investments under the life fund of Union Assurance (UA), restricted regulatory fund at UA and customer advances at the Property Development sector, if any.

NET PROFIT MARGIN

Profit after tax attributable to equity holders of the parent divided by total revenue including equity accounted investees.

PRICE TO EARNINGS (P/E) RATIO

Market price per share over earnings per share.

PRICE TO BOOK (P/B) RATIO

Market price per share over net asset value per share.

PRICE TO CASH EARNINGS

Market price per share divided by diluted cash earnings per share.

PUBLIC HOLDING

Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report.

QUICK RATIO

Cash plus short-term investments plus receivables, divided by current liabilities.

RECURRING EBITDA/ RECURRING EBIT/ RECURRING PBT / RECURRING PAT/ RECURRING PAT TO EQUITY HOLDERS OF THE PARENT

Profit, as applicable, adjusted for the one-off impacts discussed under the Financial and Manufactured Capital Review section of the Report: Page 51.

RETURN ON ASSETS

Profit after tax divided by the average total assets.

RETURN ON CAPITAL EMPLOYED (ROCE)

EBIT as a percentage of average capital employed.

RETURN ON EQUITY (ROE)

Profit attributable to shareholders as a percentage of average shareholders' funds.

SASB

The Sustainability Accounting Standards Board (SASB) develops standards that enable organisations to provide industry-based disclosures about sustainability-related risks and opportunities, which could reasonably be expected to affect cash flows, access to finance or cost of capital over the short, medium or long term.

SCOPE 1 AND SCOPE 2

The Green House Gas (GHG) Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organisation for Standardisation (ISO), 'ISO 14064', represents these classifications of Scope with the following terms:

1. Direct GHG emissions= Scope I
2. Indirect Energy GHG emissions = Scope 2

SHAREHOLDERS' FUNDS

Total of stated capital, other components of equity and revenue reserves.

SLFRS

Sri Lanka Financial Reporting Standards (SLFRS) refer to the Sri Lanka Accounting Standards corresponding to the International Financial Reporting Standards (IFRS), which provide the framework for financial statements ensuring consistency with global standards.

SLFRS S1

Disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term.

SLFRS S2

Requires the disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to finance or cost of capital over the short, medium or long term.

SRRO

Sustainability-related risks and opportunities

CRRO

Climate-related risks and opportunities

TANGIBLE NET WORTH

Total equity less intangible assets and deferred tax assets.

TOTAL DEBT

Long and short-term loans, including overdrafts and the liability arising out of the issue of convertible debentures (as applicable), and including lease liabilities. Instances where total debt excludes lease liabilities and/ or excludes the liability arising out of the issue of convertible debentures are explicitly mentioned.

TOTAL EQUITY

Shareholders' funds plus non-controlling interest.

WORKING CAPITAL

Current assets minus current liabilities

HISTORY OF THE JOHN KEELLS GROUP

1870-1970

- Established E. John & Co as a produce and exchange brokers firm.
- Formed E. John, Thompson, White & Company Ltd. by merging with two London based tea brokers.
- Formed John Keells Thompson White Ltd by amalgamating with Keells and Waldock Ltd, a share and freight broking firm.

1971-1990

- Acquired Walkers Tours and Travels (Ceylon) Ltd.
- Renamed to John Keells Ltd and became the first Rupee quoted public company.
- Acquired controlling stake in John Keells Limited and obtained quotation on the Colombo Stock Exchange.

1991-2000

- Acquired Whittalls Group of Companies and gained control of Ceylon Cold Stores, Ceylon Holiday Resorts and Union Assurance.
- Issued Global Depository Receipts (GDRs) on the Luxembourg Stock Exchange, becoming the first Sri Lankan company to list overseas.
- Acquired 80-key Velidhu Resort Hotel, the first major overseas investment of the Group.
- Established Nations Trust Bank, a joint venture with the International Finance Corporation (IFC) and Central Finance Co. Limited.
- Commenced operations at the South Asia Gateway Terminal (SAGT) at the Port of Colombo.
- Became the first Sri Lankan company to obtain a SL-AAA credit rating from Fitch.

2001-2010

- Acquired Asian Hotels and Properties.
- Established John Keells Foundation, the corporate social responsibility (CSR) arm of the Group.
- Launched 'Cinnamon Hotels & Resorts', the hotel brand of the Group.
- Entered into business process outsourcing business through a joint venture with Raman Roy Associates.
- Acquired land lease on Dhonveli Beach and Spa and Ellaidhoo Tourist Resort in the Maldives.
- Renamed John Keells Holdings Limited to John Keells Holdings PLC.
- JKH surpassed market capitalisation of USD one billion.

2011-2020

- JKH exceeded market capitalisation of USD two billion.
- Announced the 'Cinnamon Life Integrated Resort' project (now rebranded as 'City of Dreams Sri Lanka') and raised the necessary debt funding for the project, by way of the largest syndicated debt facility obtained by a local corporate.
- Completed 150 years in business.
- Formally initiated OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence, as a division.

2021 – 2024

- Signed a build, operate and transfer (BOT) agreement for the development of West Container Terminal-1 (WCT-1) at the Port of Colombo as a public private partnership (PPP) project with Adani Ports and Special Economic Zone Limited (APSEZ). Introduced 100 days Equal Parental Leave.
- Partnered with one of the world's leading manufacturer of new energy vehicles to serve as the authorised distributor for BYD passenger vehicles in Sri Lanka.
- Commenced operations of Cinnamon Life Hotel at City of Dreams Sri Lanka, in October 2024.
- JKH raised approximately Rs.24.04 billion through a rights issue to fund the City of Dreams Sri Lanka integrated resort in October 2024.

2025 - ONWARDS

- Commenced commercial operations of the first phase of the Colombo West Container Terminal in April 2025.
- Melco Resorts & Entertainment commenced casino operations at City of Dreams Sri Lanka in August 2025.

INDEPENDENT ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

to the Management of John Keells Holdings PLC (JKH)

John Keells Holdings PLC (Corporate Identity Number PQ14, hereafter referred to as 'JKH' or 'the Company') has commissioned DNV Business Assurance India Private Limited ("DNV", "us" or "we") to conduct an independent assurance of non-financial ESG (Environmental, Social, and Governance) disclosures in its Annual Report for Financial Year (FY) 2025-26 (hereafter referred as 'Report').

Scope of Work and Boundary

The agreed scope of work is a limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 01/04/2025 to 31/03/2026. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the section 'Non-Financial Reporting Boundary' of the report.

Boundary covers the performance of JKH group's operations in Sri Lanka that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers the operations of JKH across all group companies, as specified in the section 'Non-Financial Reporting Boundary' of the report by the Company.

Reporting Criteria and Standards

The disclosures have been prepared by JKH:

- in accordance with the requirements of Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements* to evaluate disclosures wrt. Greenhouse gases.

Our competence, and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised rigorous professional judgment and maintained a high level of professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, multi-disciplinary team of assurance specialists performed assurance work for selected sites of JKH. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Reviewed the disclosures in the Report. Our focus included general disclosures, GRI topic-specific disclosures, and any other key metrics as per stated reporting criteria.
- Understanding the key systems, processes, and controls for collecting, managing, and reporting the non-financial ESG disclosures in the Report.

- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for the management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility for monitoring, data collation, and reporting the selected ESG disclosures.
- DNV audit team conducted on-site and remote audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the reporting criteria and assurance methodology.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol V6.0, for a limited level of assurance for the disclosure.

Our Conclusion:

On the basis of the assessment undertaken and agreed scope of work, nothing has come to our attention to suggest that the disclosures (as mentioned in Annexure I of this statement) are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

Principles as per DNV VeriSustain™ Protocol (V6.0):

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains the materiality assessment process carried out by the Company, which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact on JKH's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to JKH, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group, which have been identified through these channels of engagement, are further brought out in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

3. Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems, and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies, and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the Report, for the chosen reporting period, while applying and considering the requirements of the Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. Accuracy

The extent to which the Report provides correct and sufficiently detailed information to allow an assessment of the organization's impacts.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The Report presents both qualitative and quantitative information in a manner that is consistent with available evidence and other reported disclosures. It clearly distinguishes between measured and estimated data, provides adequate descriptions of measurement methodologies, and outlines assumptions and limitations where applicable. Some of the data inaccuracies identified in the Report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Accuracy.

6. Reliability

The extent to which the Report presents information that can be consistently and dependably verified and used for decision-making.

The Report provides disclosures that are supported by documented evidence, validated data sources, and established internal controls. It outlines the processes used to collect, compile, and review information, ensuring that the data presented is dependable and reproducible. The inclusion of third-party assurance further enhances the reliability of the disclosures and supports informed decision-making by stakeholders.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

7. Neutrality/Balance

The extent to which a Report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to JKH's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

INDEPENDENT ASSURANCE STATEMENT

8. **Sustainability Context**

This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e., a local, regional and international context.

The Report outlines how the Company monitors and evaluates its impact across local, regional, and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

Responsibility of the Company

The Management of JKH has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The Company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. JKH is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on its website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion, has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on the Company's website for the current reporting period.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the JKH, and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, not to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,	
Sarkar, Chandan Digitally signed by Sarkar, Chandan Date: 2026.05.21 12:28:47 +05'30'	Sharma, Anjana Digitally signed by Sharma, Anjana Date: 2026.05.21 12:46:11 +05'30'
Chandan Sarkar Lead Verifier DNV Business Assurance India Private Limited, India.	Anjana Sharma Assurance Reviewer DNV Business Assurance India Private Limited, India.
Assurance Team: Mohanakrishnan R, Sudharshan K	

21/05/2026, Bengaluru, India.

Annexure I

GRI Disclosures assured for limited level of assurance:

- GRI 2: General Disclosures 2021 - 2-1 to 2-30
- GRI 3- Material Topics - 3-1, 3-2, 3-3
- GRI 101: Biodiversity 2024 - 101-1, 101-2, 101-3, 101-4, 101-5
- GRI 204: Procurement Practices 2016 – 204-1
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5
- GRI 305: Emissions 2016 – 305-1*, 305-2**, 305-4, 305-5, 305-6
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3
- GRI 403: Occupational Health and Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1
- GRI 408: Child Labor 2016 – 408-1
- GRI 409: Forced or Compulsory Labor 2016 – 409-1
- GRI 413: Local Communities 2016 – 413-1
- GRI 414: Supplier Social Assessment 2016 – 414-1
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3
- GRI 418: Customer Privacy 2016 – 418-1

** Scope 1 GHG emissions are calculated as per the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, with the emission factors sourced from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report.*
*** Scope 2 GHG emissions GHG are calculated as per the Energy Balance 2022 - Sri Lanka Sustainable Energy Authority.*

Annexure II – Sites selected for audit

S.no	Site	Location
1.	JKH Group Sri Lanka Sites (onsite audit)	• The Colombo Ice Company (Pvt) Ltd, Colombo • Cinnamon Lakeside • Cinnamon Bentota Beach • John Keells Logistics (Pvt) Ltd, Seeduwa • JayKay Marketing Services (Pvt) Ltd, Darley Road

GROUP DIRECTORY

As at 31 March 2026

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
TRANSPORTATION	Ports and Shipping		Colombo West International Terminal (Pvt) Ltd**	Ports and shipping services	2021 (PV00238709) Sri Lanka
			Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd**	Port agency services	2021 (PV00235035) Sri Lanka
			Mackinnon Mackenzie & Company Shipping Limited*	Shipping agency representation and logistics services	1973 (PV 359) Sri Lanka
			Maersk Lanka (Pvt) Ltd.**	Shipping agency representation and freight forwarding services	1992 (PV 2550) Sri Lanka
			South Asia Gateway Terminals (Pvt) Ltd**	Ports and shipping services	1998 (PV 326) Sri Lanka
	Transportation	Bunkering	Lanka Marine Services (Pvt) Ltd	Importer and supplier of heavy marine fuel oils	1993 (PV 475) Sri Lanka
		DHL Keells	DHL Keells (Pvt) Ltd **	International express courier services	1986 (PV 1307) Sri Lanka
		Logistics	John Keells Logistics (Pvt) Ltd	Integrated supply chain management	2006 (PV318) Sri Lanka
		Other	Mack International Freight (Pvt) Ltd*	International freight forwarding and clearing and forwarding	1980 (PV 831) Sri Lanka
			Mackinnon Mackenzie and Company of Ceylon Limited	Fleet and operational management for port related services	1975 (PB 348) Sri Lanka
			Trans-Ware Logistics (Pvt) Ltd*	Renting of storage space	1994 (PV 3134) Sri Lanka
		Airlines	Mack Air (Pvt) Ltd	General sales agents for airlines in Sri Lanka	1980 (PV 868) Sri Lanka
			Mackinnons Travels (Pvt) Ltd	IATA accredited travel agent and travel related services	1971 (PV 1261) Sri Lanka
			Saffron Aviation (Pvt) Ltd	Domestic air line operations	2012 (PV 84728) Sri Lanka
CONSUMER FOODS		Beverages	Ceylon Cold Stores PLC	Manufacture and marketing of beverages and frozen confectionery and the holding company of JayKay Marketing Services (Pvt) Ltd	1926 1941 (PQ 4) Sri Lanka
		Frozen Confectionery	The Colombo Ice Company (Pvt) Ltd	Manufacturing and marketing of frozen confectionery	2016 (PV 113758) Sri Lanka

	Addresses	Directors	Stated Capital and Effective Holding
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 399 2000	S Mehta - Chairperson, K N J Balendra, J G A Cooray, Munish Kanwar, U M Abhyankar, H Sundaram, K A Pathak, J S Khurana, A Z Hashim, P A P Perera, Eng. Herath M P Jayawardhana, Dr. Parakrama Dissanayake	USD 166,666,666 34%
	No. 11, York Street, Colombo 1 Tel. 076 236 2072	D N Pratt - Chairperson, A Pillai, A Z Hashim, K C Subasinghe, P A P Perera	Rs.27,420,000 60%
	No. 11, York Street, Colombo 1 Tel. 077 787 7549 / 076 066 5181 / 077 756 3423	K C Subasinghe, A Z Hashim, P A P Perera	Rs.5,000,000 100%
	Level 16 "Park Land" 33, Park Street, Colombo 2 Tel. 011 479 4800	Biju Ravi, Saman Kekulawala, Ahmed Zafir Hashim, Tomas Goran Bergendahl, Thomas Theeuwes	Rs.10,000,000 30%
	Port of Colombo, P.O Box 141 Colombo 1 Tel. 011 245 7500	K N J Balendra - Chairperson, J G A Cooray, A Z Hashim, D P Gamlath, K C Subasinghe, Yen-I Chang, J R Goldner, S K Brandt, N N Mawilmada, S C Deloor, P A P Perera, Eng. Herath M P Jayawardhana, Dr. Parakrama Dissanayake	USD 48,240,000 42.19%
	No 04, Leyden Bastian Road, Colombo 1 Tel. 077 787 7549 / 076 066 5181 / 077 756 3423	A Z Hashim, D P Gamlath, P A P Perera	Rs.350,000,000 99.44%
	No. 148, Vauxhall Street, Colombo 2 Tel. 011 230 4304 / 011 479 8600	K N J Balendra - Chairperson, A Z Hashim, S R Sivarama, A Bhadbhade	Rs.20,000,020 50%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 077 204 9389	A Z Hashim, P A P Perera	Rs.200,000,000 100%
	No . 11, York Street, Colombo 1 Tel. 076 937 0558	K C Subasinghe, A Z Hashim, P A P Perera	Rs.354,000,000 100%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 077 204 9389	A Z Hashim, P A P Perera	Rs.90 000 100%
	No. 11, York Street, Colombo 1 Tel. 077 204 9389	A Z Hashim, N N Mawilmada, P A P Perera	Rs.220,000,080 100%
	No. 11, York Street, Colombo 1 Tel. 011 744 1441	K C Subasinghe, A Z Hashim, P A P Perera	Rs.12,500,000 100%
	No. 186, Vauxhall Street, Colombo 2 Tel. 011 799 1000	K C Subasinghe, A Z Hashim, P A P Perera	Rs.5,000,000 100%
	No. 11, York Street, Colombo 1 Tel. 011 4313 440	J G A Cooray - Chairperson, A Z Hashim, B A B Goonetilleke, K Balasundaram, H D Abeywickrema, C S W Anthony, P A P Perera	Rs.1,251,079,528 40%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 231 8798	K N J Balendra - Chairperson, J G A Cooray, D P Gamlath, P N Fernando, K C Subasinghe, S Kanag Isvaran, R N K Fernando, H A J De Silva Wijeyeratne	Rs.918,200,000 81.36%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	P N Fernando, D P Gamlath	Rs.1,700,000,000 81.36%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
		Convenience Foods	John Keells Foods India (Pvt) Ltd*	Marketing of branded meat and convenience food products	2008 (U15122MH2008FTC180902) India
			Keells Food Products PLC	Manufacturer and distributor of processed meat, breaded meat and convenience food products.	1982 (PQ 3) Sri Lanka
		Restaurants	John Keells Restaurants (Pvt) Ltd*	Operator of quick service restaurants, offering fast food and convenience meals through dine-in, takeaway, and delivery channels.	2025 PV 00344293 Sri Lanka
RETAIL		Supermarket	JayKay Marketing Services (Pvt) Ltd	Owns and operates the Keells chain of supermarkets and "Nexus Mobile" loyalty card programme.	1980 (PV 33) Sri Lanka
			Logipark International (Pvt) Ltd	Integrated supply chain management	2018 (PV 00201610) Sri Lanka
		New Energy Vehicles	John Keells CG Auto (Pvt) Ltd	Importing and selling new energy vehicles and providing after sales services	2023 (PV 00285800) Sri Lanka
		Office Automation	John Keells Office Automation (Pvt) Ltd	Distributor/reseller and services provider in Office Automation(OA), Retail Automation (RA) and mobile devices	1992 (PV 127) Sri Lanka
LEISURE	Hotel Management		Cinnamon Hotel Management Limited	Operator and marketer of hotels and resorts	1974 (PB 7) Sri Lanka
			Cinnamon Hotel Management International (Pvt) Ltd	Operator and marketer of overseas hotels and resorts	2018 (PV 131788) Sri Lanka
			John Keells Hotels PLC*	Holding company of group resort hotel companies in Sri Lanka and Maldives	1979 (PQ 8) Sri Lanka
			Sentinel Realty (Pvt) Ltd**	Investment company for hotel development land	2011 (PV 80706) Sri Lanka
	Cinnamon Hotels and Resorts	Colombo Hotels	Asian Hotels and Properties PLC -Cinnamon Grand***	Owner and operator of the five star city hotel Cinnamon Grand Colombo	1993 (PQ 2) Sri Lanka
			Capitol Hotel Holdings Limited	Developer of city business hotels	2012 (PB 5013) Sri Lanka
			Trans Asia Hotels PLC	Owner and operator of the five star city hotel Cinnamon Lakeside Colombo.	1981 (PQ 5) Sri Lanka
		City of Dreams Sri Lanka	Waterfront Properties (Pvt) Ltd***	Developer of hotels, apartments, offices and Shopping Malls	2011 (PV 82153) Sri Lanka
			Ahungalla Holiday Resorts (Pvt) Ltd*	Owner of real estate	2012 (PV 85046) Sri Lanka

	Addresses	Directors	Stated Capital and Effective Holding
	Luthra and Luthra Chartered Accountants A 16 / 9 , Vasant Vihar, New Delhi -110057, India Tel. 0091 1142591823, 0091 1126148048, 26151853, 26147365 Fax: +91-11-2614 5222	P N Fernando, D P Gamlath, G Satapathy (Resident Director)	INR 90,000,000 88.63%
	P.O Box 10, No.16, Minuwangoda Road, Ekala, Ja-Ela Tel. 011 223 6317 / 011 223 6364	K N J Balendra - Chairperson, J G A Cooray, D P Gamlath, P N Fernando, A Nanayakkara, K C S Fernando, M M J W Jayasekara	Rs.1,294,815,000 88.63%
	No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	J G A Cooray, D P Gamlath, P N Fernando	Rs.100,000,000 100%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 231 6800	J G A Cooray - Chairperson, A Wanniarachchi, K C Subasinghe	Rs.1,198,000,000 81.36%
	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 247 5574	A Wanniarachchi, K C Subasinghe , A Z Hashim	Rs.1,058,750,000 81.36%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 212 5125	Y T De Zoysa - Chairperson, K N J Balendra, K C Subasinghe, P K Das, N K Chaudhary, J G A Cooray	Rs.540,000,000 50%
	Corporate Office: 90 Union Place, Colombo 2 Technical Services: 148 Vauxhall Street, Colombo 2 Tel. 011 231 3000, 243 1576, 244 5760	N W Tambia , K C Subasinghe, D P Gamlath, A Wanniarachchi	Rs.5,000,000 100%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600, 242 1101-8	M H Singhawansa, N N Mawilmada ,J G A Cooray	Rs.19,520,000 100%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600/011 242 1101-8	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.500,000 100%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600, 242 1101-15	K N J Balendra – Chairperson, J G A Cooray, N N Mawilmada, M H Singhawansa, K Gunasekera, H Premaratne, A Goonetilleke	Rs.9,500,246,939 80.32%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6600	B A B Goonetilleke - Chairperson, N N Mawilmada, C L P Gunewardane, K Balasundaram	Rs.147,478,121 40.16%
	No. 77, Galle Road, Colombo 3 Tel. 011 243 7437 /249 7206	K N J Balendra - Chairperson, J G A Cooray, C L P Gunawardane, J Durairatnam, A S De Zoysa, A Nanayakkara, N N Mawilmada, M H Singhawansa	Rs.3,345,118,012 78.56%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	M S Weerasekera - Chairperson, M D R Gunatilleke, L C H Leow, A J Pathmarajah, M D M Gunatileka, N N Mawilmada, M H Singhawansa	Rs.1,168,800,100 19.47%
	No. 115, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 249 1000	K N J Balendra - Chairperson, J G A Cooray, C L P Gunawardane, N N Mawilmada, N L Gooneratne, H A J De S Wijeyeratne, S A Atukorale, C P R Perera, M H Singhawansa	Rs.1,112,879,750 82.74%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, N N Mawilmada	Rs.218,588,025,255 99.43%
	No.117, Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.139,930,808 80.32%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
LEISURE	Cinnamon Hotels and Resorts	Sri Lankan Resorts	Beruwala Holiday Resorts (Pvt) Ltd	Owner of "Cinnamon Bey" in Beruwala	2009 (PV 69678) Sri Lanka
			Ceylon Holiday Resorts Limited - Bentota Beach Hotel	Owner of Cinnamon Bentota Beach in Bentota	1966 (PB 40) Sri Lanka
			Habarana Lodge Limited	Owner of "Cinnamon Lodge" in Habarana	1978 (PB 38) Sri Lanka
			Habarana Walk Inn Limited	Owner of "Habarana Village by Cinnamon" in Habarana	1973 (PB 33) Sri Lanka
			Hikkaduwa Holiday Resorts (Pvt) Ltd	Owner of "Hikka Tranz by Cinnamon" in Hikkaduwa	2010 (PV 71747) Sri Lanka
			Indra Hotel and Resorts Kandy (Pvt) Ltd*	Owner of "Kandy Myst by Cinnamon" in Kandy	2017 (PV 124247) Sri Lanka
			International Tourists and Hoteliers Limited*	Owner of Cinnamon Bey Beruwala	1973 (PB 17) Sri Lanka
			Kandy Walk Inn Limited (Divested on 31 March 2026)	Owner of "Cinnamon Citadel" in Kandy	1979 (PB 395) Sri Lanka
			Nuwara Eliya Holiday Resorts (Pvt) Ltd *	Owner of real estate	2014 (PV 98357) Sri Lanka
			Rajawella Hotels Company Limited *	Owner of real estate	1992 (PB 92) Sri Lanka
			Resort Hotels Limited *	Owner of real estate	1978 (PB 193) Sri Lanka
			Trinco Holiday Resorts (Pvt) Ltd	Owner of "Trinco Blu by Cinnamon" in Trincomalee	2009 (PV 69908) Sri Lanka
			Trinco Walk Inn Limited*	Owner of real estate	1984 (PB 168) Sri Lanka
			Wirawila Walk Inn Limited*	Owner of real estate	1994 (PB 89) Sri Lanka
			Yala Village (Pvt) Ltd	Owner of "Cinnamon Wild" in Yala	1999 (PV 2868) Sri Lanka
			Yala Adventure Park (Pvt) Ltd*	Owner of real estate	2009/2006 (PV 15139) Sri Lanka
		Maldivian Resorts	Fantasea World Investments (Pvt) Ltd	Owner of "Cinnamon Hakuraa Huraa" in Maldives	1997 (C 143/97) Maldives
			John Keells Maldivian Resorts (Pvt) Ltd	Hotel holding company in the Maldives	1996 (C 208/96) Maldives

	Addresses	Directors	Stated Capital and Effective Holding
	Moragalla , Beruwala. Tel. 034 229 7000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.2,338,150,000 79.78%
	Galle Road, Bentota Tel. 034 227 5176 / 034 227 5266	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.2,845,469,318 79.83%
	P.O Box 2, Habarana Tel. 066 227 0011-2/ 066 227 0072	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.341,555,262 78.99%
	P.O Box 1, Habarana Tel. 066 227 0046-7/ 066 227 0077	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.126,350,000 79.34%
	P.O Box 1, Galle Road , Hikkaduwa Tel. 091 227 7023	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.1,062,635,460 79.83%
	No. 273, Katugastota Road, Kandy Tel. 081 223 4346	Y S H R S Silva - Chairperson, Y S H I K Silva, Y S H H K Silva, N N Mawilmada, C L P Gunawardane	Rs.4,434,400,493 32.13%
	Moragalla, Beruwala Tel. 011 230 6600, 011 242 1101-8	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.1,939,760,925 79.78%
	No.124, Srimath Kuda Ratwatte Mawatha, Kandy Tel. 081 223 4365-6/ 081 223 7273-4	C L P Gunawardane, M H Singhawansa, N N Mawilmada	N/A
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.1,236,832 80.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.39,587,342 80.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6780, 242 1101-8	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.22,002,977 79.88%
	Sambativu, Uppuvelli, Trincomalee Tel. 026 222 2307 / 026 222 1611	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.357,000,000 80.32%
	Alles Garden, Uppuveli,Sampathiv Post, Trincomalee Tel. 026 222 2307 / 011 230 6600	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.119,850,070 80.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6780, 011 242 1101-8	C L P Gunawardane, N N Mawilmada, M H Singhawansa	Rs.26,113,025 80.32%
	P.O Box 1, Kirinda, Tissamaharama Tel. 047 223 9449-52	M A Perera - Chairperson, J G A Cooray, C L P Gunawardane, M H Singhawansa, J A Davis, N N Mawilmada	Rs.319,427,600 75.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 047 223 9449-52	J G A Cooray, N N Mawilmada, M H Singhawansa, C L P Gunawardane, M A Perera	Rs.43,455,030 69.97%
	Meemu Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	USD 8,622,036 80.32%
	2nd Floor, H.Maizan Building, Sosun Magu, Male, Republic of Maldives Tel. +9603336000	J G A Cooray, C L P Gunawardane, M H Singhawansa, N N Mawilmada	USD 38,904,010 80.32%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
		Maldivian Resorts	Tranquility (Pvt) Ltd	Owner of "Cinnamon Dhoinveli" and "Cinnamon Velifushi" in Maldives	2004 (C 344/2004) Maldives
			Travel Club (Pvt) Ltd	Operator of "Ellaidhoo Maldives by Cinnamon" in Maldives	1992 (C 121/92) Maldives
	Destination Management		Cinnamon Holidays (Pvt) Ltd	Service providers of inbound and outbound tours	2015 (PV 107427) Sri Lanka
			Walkers Tours Limited	Inbound tour operators	1969 (PB 249) Sri Lanka
			Whittall Boustead (Travel) Ltd	Inbound tour operators	1977 (PB 112) Sri Lanka
PROPERTY	Real Estate		Asian Hotels and Properties PLC - Crescat. Boulevard, The Monarch, The Emperor.***	Developer of 'Crescat Residencies', 'The Monarch' and 'The Emperor' residential towers developer and manager of 'Crescat Boulevard ' shopping mall	1993 (PQ 2) Sri Lanka
			Keells Realtors Limited *	Former owner of real estates	1977 (PB 90) Sri Lanka
			Mackinnons Keells Limited*	Rental of office spaces	1952 (PB 8) Sri Lanka
			Whittall Boustead (Pvt) Ltd - Real Estate Division	Renting of office space	1958 (PV 31) Sri Lanka
	Property Development		British Overseas (Pvt) Ltd*	Developer of "7th Sense" residential tower	2011 (PV 80203) Sri Lanka
			Braybrooke Residential Properties (Pvt) Ltd *	Investor of Braybrooke Residential Towers (Pvt) Ltd	1998 (PV 19165) Sri Lanka
			Braybrooke Residential Towers (Pvt) Ltd *	Developer of 'TRI-ZEN' residential towers	2017 (PV 128387) Sri Lanka
			Glennie Properties (Pvt) Ltd *	Property development	2012 (PV 84278) Sri Lanka
			J K Land (Pvt) Ltd *	Investment company for property sector	2012 (PV 84272) Sri Lanka
			J K Thudella Properties (Pvt) Ltd *	Owner of real estates and rental of properties	2018 (PV 129825) Sri Lanka
			John Keells Properties Ja-Ela (Pvt) Ltd	Developer of "VIMAN" Ja- Ela	2010 (PV 76068) Sri Lanka

	Addresses	Directors	Stated Capital and Effective Holding
	North Malé Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	USD 5,000,000 80.32%
	North Ari Atoll, Republic of Maldives Tel. +9603336000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	USD 2,460,000 80.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	C L P Gunawardane, M H Singhawansa, N N Mawilmada	Rs.200,000 80.32%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 731 1611	N N Mawilmada, C L P Gunawardane, I N Amaratunga	Rs.51,374,200 98.05%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6746	N N Mawilmada, C L P Gunawardane, I N Amaratunga	Rs.250,410,000 100%
	No.89, Galle Road, Colombo 3 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, C L P Gunawardane, J Durairatnam, A S De Zoysa, A Nanayakkara, N N Mawilmada, M H Sinhawansa	Rs.3,345,118,012 78.56%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.75,000,000 95.81%
	No. 4, Layden Bastian Road, Colombo 1 Tel. 011 215 2100	K N J Balendra, J G A Cooray, K M Thanthirige, N W R Wijewantha, N N Mawilmada	Rs.327,800,000 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, U S I Perera	Rs.99,188,800 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, S P G N Rajapakse, U S I Perera	Rs.1,000 61%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	Y S H R S Silva - Chairperson, N N Mawilmada, D P Gamlath, Y S H I K Silva, C P Palansuriya, Y S H H K Silva, N W R Wijewantha	Rs.1,403,970,000 50%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	Y S H R S Silva - Chairperson, K N J Balendra, J G A Cooray, N N Mawilmada, Y S H I K Silva, A D B Talwatte, C P Palansuriya, N W R Wijewantha	Rs.3,636,900,000 50%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N N Mawilmada, D P Gamlath , N W R Wijewantha	Rs.163,861,400 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, K C Subasinghe, N N Mawilmada, U S I Perera	Rs.24,964,638,930 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.453,467,620 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.954,360,000 100%

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
	Property Development		John Keells Residential Properties (Pvt) Ltd*	Developer of "On320" residential towers	2010 (PV 75050) Sri Lanka
			Rajawella Holdings Limited	Operates an 18 hole, Donald Street designed golf course in Digana	1991 (PB 27) Sri Lanka
			Vauxhall Land Developments (Pvt) Ltd *	Owner of real estates	2017 (PV 125587) Sri Lanka
			Waterfront Properties (Pvt) Ltd***	Developer of hotels, apartments, offices and shopping malls	2011 (PV 82153) Sri Lanka
FINANCIAL SERVICES		Insurance	Fairfirst Insurance Ltd ** (Divested on 18 September 2025)	Providers of non life insurance solutions	2014 (PV 99666/PB) Sri Lanka
			Union Assurance PLC	Providers of life insurance solutions	1987 (PQ 12) Sri Lanka
		Stock Broking	John Keells Stock Brokers (Pvt) Ltd	Share broking services	1979 (PV 89) Sri Lanka
		Banking	Nations Trust Bank PLC **	Commercial banking	1999 (PQ 118) Sri Lanka
OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES	Information Technology	IT Services	John Keells Information Technology (Pvt) Ltd	IT consultancy and professional service	1998 (PV 652) Sri Lanka
		IT Enabled Services	InfoMate (Pvt) Ltd	IT enabled services	2005 (PV 921) Sri Lanka
			John Keells BPO Holdings (Pvt) Ltd * (Liquidated on 9 March 2026)	Holding company of BPO group companies	2006 (C 60882) Mauritius
			John Keells BPO International (Pvt) Ltd * (Liquidated on 9 December 2025)	Investment holding company	2007 (C 070137) Mauritius
			John Keells BPO Solutions Lanka (Pvt) Ltd*	Former BPO operator in Sri Lanka	2006 (PV 3458) Sri Lanka
	Plantation Services		John Keells PLC	Produce broking and real estate ownership	1960 (PQ 11) Sri Lanka
			John Keells Teas (Pvt) Ltd*	Former manager seven bought leaf tea factories	1979 (PV 522) Sri Lanka
			John Keells Warehousing (Pvt) Ltd	Warehousing of tea and rubber	2001 (PV 638) Sri Lanka
			Tea Smallholder Factories PLC (Divested on 3 April 2025)	Owner and operator of bought leaf factories	1991 (PQ 32) Sri Lanka

	Addresses	Directors	Stated Capital and Effective Holding
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	N W R Wijewantha, N N Mawilmada, U S I Perera	Rs.925,200,000 100%
	P O Box 7, Rajawella, Kandy Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, N N Mawilmada, C B Thornton (Alt. C J Holloway), G R Bostock Kirk (Alt. E C Oxlade), S E Captain (Alt. R S Captain), B D N Jayatilake, N W R Wijewantha	Rs.784,690,140 49.85%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, N N Mawilmada, N W R Wijewantha,U S I Perera	Rs.21,716,553,910 100%
	No.186, Vauxhall Street, Colombo 2 Tel. 011 215 2100	K N J Balendra - Chairperson, J G A Cooray, N N Mawilmada	Rs.218,588,025,255 99.43%
	Access Towers II, 14th Floor, No: 278/4, Union Place, Colombo 2 Tel. 011 242 8428	G A Athappan - Chairperson, A S Wijesinha, C D Wijegunawardene, R M Prabhakar, S A J S W Jayatilake, G Soundarajan	N/A
	No.20, St. Michaels' Road, Colombo 3 Tel. 011 299 0990	K N J Balendra - Chairperson, D P Gamlath, D H Fernando, S A Appleyard, P T Wanigasekara, C M L D Bandaranaike, S. A. J. S. W Jayatilake	Rs.1,000,000,000 90%
	No. 186, Vauxhall street, Colombo 2 Tel. 011 230 6250, 011 234 2066-7	D P Gamlath, R S Cader, A M Ali, S A J S W Jayatilake	Rs.57,750,000 90.04%
	No.46/58, Nawam Mawatha,Colombo 02 Tel. 011 431 3131	R S Cader - Chairperson, C H A W Wickramasuriya, A R Fernando, R Shanmuganathan, C K Hettiarachchi, H D Gunetilleke, K C Subasinghe, S Jha, A K Wignaraja, R A Perera, M C Pietersz	Rs.13,007,640,749 32.55%
	No. 148, Vauxhall Street, Colombo 2 Tel. 011 230 0770-77	J G A Cooray - Chairperson, R Shanmuganathan, N W R Wijewantha	Rs.96,500,000 100%
	No.4, Leyden Bastian Road, Colombo 1 Tel. 011 214 9700	J G A Cooray, N N Mawilmada, N W R Wijewantha, R Shanmuganathan	Rs.20,000,000 100%
	IFS Court, 28, Cybercity, Ebene, Mauritius Tel. (230) 467 3000	Z H Niamut, K Peerbocus, N W R Wijewantha	N/A
	IFS Court, 28, Cybercity, Ebene, Mauritius Tel. (230) 467 3000	Z H Niamut, K Peerbocus, N W R Wijewantha	N/A
	No.4, Leyden Bastian Road, Colombo 1 Tel. 011 230 0770-77	N W R Wijewantha,R Shanmuganathan	Rs.335,797,260 100%
	No. 186, Vauxhall street, Colombo 2 Tel. 011 230 6000	K N J Balendra - Chairperson, J G A Cooray, N W R Wijewantha, A Z Hashim, P D Samarasinghe, P D Wanigasekara, N A S Akuratiyagama	Rs.152,000,000 86.90%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6546	N W R Wijewantha , K C Subasinghe, A Z Hashim	Rs.120,000 100%
	No.93, 1st Avenue, Muturajawela, Hendala, Wattala Tel. 011 481 9560	N W R Wijewantha , K C Subasinghe, A Z Hashim	Rs.120,000,000 86.90%
	No.186, Vauxhall street, Colombo 2 Tel. 011 214 9994 / 011 233 5880	K N J Balendra – Chairperson, J G A Cooray, A K Gunaratne, A Goonetilleke, A Z Hashim, P P Edirisinghe, S W F Jameel, C S Hettiarachchi	N/A

GROUP DIRECTORY

Industry Group	Sector	Segment/ business	Company Name	Nature	Incorporated Year and Country
OTHER, INCLUDING INFORMATION TECHNOLOGY AND PLANTATION SERVICES	Other		Facets (Pvt) Ltd *	Owner of real estate	1974 (PV 1048) Sri Lanka
			J K Packaging (Pvt) Ltd*	Former printing and packaging services provider	1979 (PV 1265) Sri Lanka
			John Keells Holdings PLC	Group holding company and function based services	1979 (PQ 14) Sri Lanka
			John Keells International (Pvt) Ltd *	Regional holding company providing administrative and function based services	2006 (PV 46) Sri Lanka
			John Keells Singapore (Pte) Ltd *	International trading services	1992 (199200499 C) Singapore
			Keells Consultants (Pvt) Ltd	Company secretarial services to the group	1974 (PB 3 PV) Sri Lanka
			Mortlake (Pvt) Ltd *	Investment company	1962 (PV 756) Sri Lanka

* The company is a non-operational company/ investment company/ holding company or owner of real estate.
** The company in an equity accounted investee to the group.
*** Legal entity has been captured in multiple locations given that there are operations under different segments.

	Addresses	Directors	Stated Capital and Effective Holding
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	K M Thanthirige, D P Gamlath	Rs.6,150,000 100%
	No. 11, York Street, Colombo 1 Tel. 076 346 1442	K C Subasinghe, D P Gamlath, K M Thanthrige	Rs.14,500,000 100%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000	K N J Balendra - Chairperson, J G A Cooray - Deputy Chairperson, D A Cabraal, S S H Wijayasuriya, S A Coorey, D V R S Fernando, H M A Jayesinghe, R Shukla, M K Menon	Rs.133,797,594,000 100%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 230 6000 / 011 242 1101-9	J G A Cooray, D P Gamlath, K M Thanthirige	Rs.1,991,600,000 100%
	No.16 Collyer Quay, Level 21, Office Suit No.21-38, Singapore 049318 Tel. 65 63296409/ 65 68189150/ 65 96346593	J G A Cooray - Chairperson, K M Thanthirige, K C Subasinghe, D P Gamlath, R Ponnampalam	Rs.9,638,000 80%
	No.117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 Tel. 011 242 1101-9	J G A Cooray, K M Thanthirige, N Rehmanjee, N A K M Cooray	Rs.160,000 100%
	No. 11, York Street, Colombo 1 Tel. 076 346 1442	K M Thanthirige, K C Subasinghe	Rs.3,000 100%

GRI - DISCLOSURE 207-4

COUNTRY-BY-COUNTRY REPORTING

Description Rs.'000s	Reference	Page No	Sri Lanka	India	Mauritius	Republic of Maldives	Singapore	Total
a) All tax jurisdictions included in Consolidated Financial Statements	Note 21.10	518						
b)								
i. Names of the resident entities	Group Directory							
ii. Primary activities of the organisation	Group Directory							
iii. Number of employees			17,899	-	-	669	-	18,568
iv. Revenues from third-party sales			509,635,829	-	-	19,214,864	-	528,850,693
v. Revenues from intra-group transactions with other tax jurisdictions								
vi. Profit / (loss) before tax			37,442,915	38	(2,119)	227,295	19,486	37,687,615
vii. Tangible assets other than cash and cash equivalents			529,591,620	-	-	45,199,066	215	574,790,901
viii. Corporate income tax paid on a cash basis	Not Applicable							
ix. Corporate income tax accrued on profit / (loss)			(14,016,868)	-	(1,832)	(194,914)	(2,049)	(14,215,663)
x. Reasons for the difference between corporate income tax accrued on profit / (loss) and the tax due if the statutory tax rate is applied to profit / (loss) before tax	Note 21.5	516						
c) The time period covered by the information reported in Disclosure 207-4	Year ended 31st March 2026							
d) Capital expenditure incurred during the year			18,045,673	-	-	1,583,076	-	19,628,749
e) Community contribution			271,788	-	-	-	-	271,788

GRI CONTENT INDEX

Statement of use	John Keells Holdings PLC has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	About this Report (Pg: 7) Corporate Information (IBC)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	Reporting Scope (Pg: 5-6)				
	2-3 Reporting period, frequency and contact point	Reporting Scope (Pg: 5-6)				
	2-4 Restatements of information	Reporting Scope (Pg: 6)				
	2-5 External assurance	Introduction to the Report (Pg: 5)				
	2-6 Activities, value chain and other business relationships	About This Report (Pg: 7) Procurement Process and Supply Chain Management (Pg: 118) Industry Group Review (Pg: 167-292)				
	2-7 Employees	Workforce Composition (Pg: 98)				
	2-8 Workers who are not employees	Workforce Composition (Pg: 98)				
	2-9 Governance structure and composition	The Corporate Governance System (Pg: 305-327)				
	2-10 Nomination and selection of the highest governance body	The Corporate Governance System (Pg: 309)				
	2-11 Chair of the highest governance body	Combined Chairperson - CEO Role (Pg: 324)				
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance (Pg: 337-342) SLFRS S1 and S2 Disclosures (Pg: 370-371)				
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance (Pg: 337)				
	2-14 Role of the highest governance body in sustainability reporting	Introduction to the Report (Pg: 4)				
	2-15 Conflicts of interest	The Corporate Governance System (Pg: 311-314)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-16 Communication of critical concerns	Sustainability Governance (Pg: 337) Chairperson Direct (Pg: 344) Stakeholder Engagement (Pg: 358-360)				
	2-17 Collective knowledge of the highest governance body	The Corporate Governance System (Pg: 309)				
	2-18 Evaluation of the performance of the highest governance body	The Corporate Governance System (Pg: 311)				
	2-19 Remuneration policies	The Corporate Governance System (Pg: 315)				
	2-20 Process to determine remuneration	The Corporate Governance System (Pg: 315)				
	2-21 Annual total compensation ratio	Compensation and Benefits (Pg: 100)				
	2-22 Statement on sustainable development strategy	Chairperson's Message - Sustainability (Pg: 19-20)				
	2-23 Policy commitments	Key Internal Policies (Pg: 342)				
	2-24 Embedding policy commitments	Sustainability Governance (Pg: 337)				
	2-25 Processes to remediate negative impacts	Labour and Human Rights (Pg: 106) Chairperson Direct (Pg: 344) Stakeholder Engagement (Pg: 358-360)				
	2-26 Mechanisms for seeking advice and raising concerns	Biodiversity and Ecosystem Stewardship (Pg: 88) Social Responsibility and Corporate Citizenship (Pg: 120-121)				
	2-27 Compliance with laws and regulations	Compliance Summary (Pg: 350)				
	2-28 Membership associations	Knowledge Sharing and Policy Dialogues (Pg: 128)				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (Pg: 358-360)				
	2-30 Collective bargaining agreements	Freedom of Association (Pg: 107)				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Determining Materiality (Pg: 361)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Identification of Material Topics (Pg: 363)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Biodiversity and Ecosystem Stewardship (Pg: 88)				
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Biodiversity and Ecosystem Stewardship (Pg: 88)				
	101-2 Management of biodiversity impacts	Biodiversity and Ecosystem Stewardship (Pg: 88)				
	101-3 Access and benefit-sharing	Biodiversity and Ecosystem Stewardship (Pg: 90-94)				
	101-4 Identification of biodiversity impacts	Biodiversity and Ecosystem Stewardship (Pg: 88-90)				
	101-5 Locations with biodiversity impacts	Biodiversity and Ecosystem Stewardship (Pg: 89)				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Financial and Manufactured Capital Review (Pg: 51)				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Value Statement (Pg: 568-569) Notes to the Financial Statements (Pg: 470)				
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital Review (Pg: 65) SLFRS S1 and S2 Disclosures (Pg: 374-392)				
	201-3 Defined benefit plan obligations and other retirement plans	Employee benefit plans (Pg: 101-102)				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Procurement Process and Supply Chain Management (Pg: 118)				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital Review (Pg:113) Procurement Process and Supply Chain Management (Pg: 118)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) The Code of Conduct (Pg: 343)				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Group Highlights - Social and Relationship Capital (Pg: 29)				
	205-2 Communication and training about anti-corruption policies and procedures	Internal Governance Structure (Pg: 349) Learning and Development (Pg: 102) Procurement Process and Supply Chain Management (Pg: 119)				
	205-3 Confirmed incidents of corruption and actions taken	The Code of Conduct (Pg: 344) Procurement Process and Supply Chain Management (Pg: 119)				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Energy and Greenhouse Gas Emissions Management (Pg: 67)				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Group Energy and Greenhouse Gas Emission Performance (Pg: 69)				
	302-3 Energy intensity	Group Energy and Greenhouse Gas Emission Performance (Pg: 70)				
	302-4 Reduction of energy consumption	Energy and Greenhouse Gas Emissions Management (Pg: 67) Energy Management Initiatives (Pg: 74)				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Water and Effluent Management (Pg: 75)				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Effluent Management (Pg: 75-77) Water and Effluent Management Initiatives (Pg: 79)				
	303-2 Management of water discharge-related impacts	Management of Water and Effluent Impacts (Pg: 75-76)				
	303-3 Water withdrawal	Group Water Performance (Pg: 77-79)				
	303-4 Water discharge	Group Water Performance (Pg: 77-79)				
	303-5 Water consumption	Group Water Performance (Pg: 77-79)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Energy and Greenhouse Gas Emissions Management (Pg: 67-69)				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Group Carbon Footprint Performance (Pg: 71)				
	305-2 Energy indirect (Scope 2) GHG emissions	Group Carbon Footprint Performance (Pg: 71)				
	305-3 Other indirect (Scope 3) GHG emissions	SLFRS S1 and S2 Disclosures (Pg: 396)				
	305-4 GHG emissions intensity	Management of Impacts of Energy and GHG Emissions (Pg: 71-73)				
	305-5 Reduction of GHG emissions	Group Energy and Greenhouse Gas Emission Performance (Pg: 71-74)				
	305-6 Emissions of ozone-depleting substances (ODS)	Emissions from Refrigerants and Ozone-Depleting Substances (Pg: 74-75)				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Waste and Packaging Management (Pg: 79-81)				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste and Packaging Management (Pg: 79-80) Management of Waste and Packaging Impacts (Pg: 80-81)				
	306-2 Management of significant waste-related impacts	Management of Waste and Packaging Impacts (Pg: 80-81) Extended Producer Responsibility (Pg: 85)				
	306-3 Waste generated	Group Waste Performance (Pg: 81-83)				
	306-4 Waste diverted from disposal	Group Waste Performance (Pg: 81-85)				
	306-5 Waste directed to disposal	Group Waste Performance (Pg: 81-83)				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Procurement Process and Supply Chain Management (Pg: 118-119)				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Procurement Process and Supply Chain Management (Pg: 119)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Human Capital Review (Pg: 95-97)				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Attraction and Retention (Pg: 98) Employee Attrition (Pg: 106)				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits (Pg: 100-102) Group Highlights - Human Capital (Pg: 29)				
	401-3 Parental leave	Compensation and Benefits (Pg: 101)				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Health and Safety (Pg: 109)				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety (Pg: 109)				
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety (Pg: 110)				
	403-3 Occupational health services	Health and Safety (Pg: 110)				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety (Pg: 110)				
	403-5 Worker training on occupational health and safety	Health and Safety (Pg: 111)				
	403-6 Promotion of worker health	Health and Safety (Pg: 111)				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety (Pg: 110)				
	403-8 Workers covered by an occupational health and safety management system	Health and Safety (Pg: 109)				
	403-9 Work-related injuries	Health and Safety (Pg: 111-112)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Learning and Development (Pg: 102)				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Learning and Development (Pg: 102-103)				
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development (Pg: 103-104)				
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Performance Management (Pg: 100)				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Diversity, Equity and Inclusion (Pg: 108)				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Composition (Pg: 308) Workforce Composition (Pg: 98)				
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Compensation and Benefits (Pg: 100)				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Diversity, Equity and Inclusion (Pg: 108)				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity and Inclusion (Pg: 108)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Labour and Human Rights (Pg: 106) Procurement Process and Supply Chain Management (Pg: 119)				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labour and Human Rights (Pg: 106-107) Procurement Process and Supply Chain Management (Pg: 119)				
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Labour and Human Rights (Pg: 106) Procurement Process and Supply Chain Management (Pg: 119)				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Labour and Human Rights (Pg: 106) Procurement Process and Supply Chain Management (Pg: 119)				
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Labour and Human Rights (Pg: 106) Procurement Process and Supply Chain Management (Pg: 119)				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Labour and Human Rights (Pg 106) Procurement Process and Supply Chain Management (Pg: 119)				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Social Responsibility and Corporate Citizenship (Pg: 120)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility and Corporate Citizenship (Pg: 120-127)				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Procurement Process and Supply Chain Management (Pg: 119-120)				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Procurement Process and Supply Chain Management (Pg: 119)				
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Labelling and Communications (Pg: 117)				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Labelling and Communications (Pg: 117)				
	417-2 Incidents of non-compliance concerning product and service information and labelling	Labelling and Communications (Pg 117)				
	417-3 Incidents of non-compliance concerning marketing communications	Labelling and Communications (Pg 117)				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Management of Materiality Matters (Pg: 366) Privacy, Data and Cybersecurity (Pg: 131-133)				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy, Data and Cybersecurity (Pg: 131)				

Topics in the applicable GRI Sector Standards determined as not material		
TOPIC		LOCATION
Market presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Compensation and Benefits (Pg: 100-102)
	202-2 Proportion of senior management hired from the local community	Workforce Composition (Pg: 98)
Indirect economic impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Responsibility and Corporate Citizenship (Pg: 121-127)
	203-2 Significant indirect economic impacts	Social Responsibility and Corporate Citizenship (Pg: 121-127)
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	Tax Governance (Pg: 334-335)
	207-2 Tax governance, control, and risk management	Tax Governance (Pg: 334-335)
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Governance (Pg: 334-335)
	207-4 Country-by-country reporting	Country by Country Reporting Disclosures (Pg: 594)
Customer health and safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality Assurance, Responsible Communications and Labelling (Pg: 116-118)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Assurance, Responsible Communications and Labelling (Pg: 116-118)

The Group has disclosed information on the above topics within relevant sections of the Report, as they are considered pertinent despite not being identified as material.

NOTICE OF MEETING - ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting ('Meeting') of John Keells Holdings PLC (the 'Company') will be held as a virtual meeting on 26 June 2026 at 10.00 a.m.

The business to be brought before the Meeting will be to:

1. read the Notice convening the Meeting.
2. receive and consider the Annual Report and Financial Statements for the Financial Year ended 31 March 2026 with the Report of the Auditors thereon.
3. re-elect as a Director, Mr. D A Cabraal who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. D A Cabraal is contained in the Profiles section of the Annual Report.
4. re-elect as a Director, Mr. H M A Jayesinghe who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. H M A Jayesinghe is contained in the Profiles section of the Annual Report.
5. re-appoint Mr. M K Menon, who is 71 years of age, as a Director of the Company, for which the passing of the following resolutions are recommended:
   a. "THAT in terms of Section 211 of the Companies Act No. 07 of 2007, the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. M K Menon, who is 71 years of age and that he be appointed a Director of the Company."
   b. "THAT Mr. M K Menon be designated as an Independent Non-Executive Director of the Company in terms of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange."

   A brief profile of Mr. M K Menon together with the report of the Nominations and Governance Committee detailing the reason and rationale for its recommendation to re-appoint Mr. M K Menon, are attached to this Notice of Meeting. Mr. M K Menon's profile is also contained in the Profiles section of the Annual Report.
6. re-appoint the Auditors and to authorise the Directors to determine their remuneration.
7. consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of John Keells Holdings PLC for 2025/26, is accessible via:

(1) The Corporate Website – *https://www.keells.com/investor-relations/#latest-financials*

(2) The Website of the Colombo Stock Exchange – *https://www.cse.lk/company-profile?symbol=JKH.N0000*

(3) The following QR Code (accessible through mobile devices):

Should Members wish to obtain a hard copy of the Annual Report 2025/26, they may send a request to the Company by duly filling the Form of Request. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person.

By Order of the Board
John Keells Holdings PLC

Keells Consultants (Private) Limited
Secretaries

26 May 2026

NOTES:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and their Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

Report of the Nominations and Governance Committee on the proposed re-appointment of Mr. M K Menon as an Independent Non-Executive Director of John Keells Holdings PLC (the "Company").

The Nominations and Governance Committee (the "Committee"), having regard to the strategic context within which the Company operates and the applicable regulatory requirements, submits this report and its recommendation to the Board and shareholders in respect of the proposed re-appointment of Mr. M. K. Menon as an Independent Non-Executive Director of the Company.

In evaluating this recommendation, the Committee has carefully considered a range of factors to ensure that the proposed appointment is in the best interests of the Company and its shareholders. The Committee's deliberations have taken into account the following:

1. The current and future strategic priorities of the Company, including opportunities presented by the evolving business environment and the requirement for the Board to be equipped with Directors who possess the requisite expertise, foresight, and leadership capabilities.
2. Regulatory requirements and ensuring compliance under the Companies Act No. 7 of 2007 (Companies Act), specifically, Section 210 of the Act stipulates that individuals who have attained the age of seventy (70) years shall not be eligible for appointment as Directors unless such appointment is approved by a resolution of the shareholders under Section 211, declaring that the age limit shall not apply to the individual.
3. Compliance with the Colombo Stock Exchange Listing Rules, specifically the provisions on fitness and propriety, independence criteria, and the requirement for shareholder approval in the appointment of Independent Non-Executive Directors over the age of seventy (70) years.
4. Professional experience and leadership record of Mr. Menon, including insights into industry trends and governance which are regarded as valuable assets to the Board.
5. Board composition and diversity, including the overall composition of the Board to ensure that it reflects a balanced mix of qualifications, skills, experiences, diversity in perspectives, professional backgrounds, and industry knowledge which is critical to effective governance and to aligning the Board's capabilities with the Company's strategic direction.

Contribution Since Appointment

In forming its recommendation, the Committee has also considered Mr. Menon's contribution to the Board since his appointment on 1 July 2025. During this period, Mr. Menon has demonstrated a strong capacity to add value through:

- thoughtful and independent contributions to Board deliberations, particularly on matters of strategy, risk, and long-term value creation;
- the application of sound judgment and practical insight, drawn from his extensive senior leadership experience, which has enhanced the quality and depth of Board discussions; and
- constructive engagement with both fellow Directors and Management, marked by an objective, balanced, and governance-focused approach.

The Committee is of the view that Mr. Menon's presence has strengthened the Board's collective effectiveness and has positively contributed to its oversight responsibilities over the past year.

Committee Recommendation and Rationale

The Committee is satisfied that, notwithstanding that Mr. M K Menon has attained the age of seventy-one (71) years, he continues to possess the expertise, strategic acumen, independence of mind, and capacity required to discharge the responsibilities of an Independent Non-Executive Director effectively.

In reaching this conclusion, the Committee has reviewed the relevant provisions of the Companies Act and the Listing Rules and has determined that, save for the age-related criterion, Mr. Menon meets all applicable statutory and regulatory requirements. The Committee has also considered Mr. Menon's written declaration confirming his compliance with the fit and proper and independence criteria and affirming that no relationships or interests exist that could impair his independence.

Having regard to his demonstrated performance since appointment, ongoing ability to contribute meaningfully, and the importance of continuity and experience at Board level, the Committee is of the view that Mr. Menon's reappointment is in the best interests of the Company and its shareholders.

Accordingly, the Committee recommends the reappointment of Mr. M. K. Menon as an Independent Non-Executive Director of the Company, subject to the requisite shareholder approvals as required under the Companies Act and the Listing Rules.

Profile - Madhavan Karunakaran Menon

Mr. Madhavan Karunakaran Menon served with the Thomas Cook Group for 25 years, beginning in 2000 as Executive Director responsible for the Foreign Exchange business. He was appointed Managing Director in January 2006, Chairman & Managing Director in January 2016, and Executive Chairman in July 2023. He retired from the position of Executive Chairman in May 2025, marking the culmination of his distinguished tenure with the Thomas Cook Group.

Mr. Menon completed his MBA from George Washington University and undergraduate degree from American University of Beirut.

Mr. Menon has a varied background, having commenced his career in banking and financial services at Grindlays Bank, Citibank and Emirates Bank and at Birla Sun Life Asset Management Company.

During his tenure, Thomas Cook India has made several acquisitions, noteworthy being Kuoni's Destination Management Specialists across 17 countries and acquisition of Digiphoto Entertainment Imaging (DEI) (one of the world's leading imaging solutions and services providers). Additionally, he facilitated the purchase of the Thomas Cook Brand in 2018.

Thomas Cook (India) Limited (TCIL) is the leading omnichannel travel company in the country offering a broad spectrum of services including Foreign Exchange, Corporate Travel, MICE, Leisure Travel, Value Added Services and Visa Services. It operates leading B2C and B2B brands including Thomas Cook, SOTC, TCI, SITA, Asian Trails, Allied TPro, Australian Tours Management, Desert Adventures, Travel Circle International Limited (TCI 勝景), Sterling Holiday Resorts Limited, Distant Frontiers, TC Tours, DEI, Go Vacation, Private Safaris East & South Africa. As one of the largest travel service provider networks headquartered in the Asia-Pacific region, the Thomas Cook India Group spans 28 countries across 5 continents.

FORM OF PROXY-ANNUAL GENERAL MEETING

I/We..... of

.....

.....being a member/s of John Keells Holdings PLC hereby appoint

..... of

..... or failing him/her

MR. KRISHAN NIRAJ JAYASEKARA BALENDRA	or failing him
MR. JOSEPH GIHAN ADISHA COORAY	or failing him
MR. DAMIEN AMAL CABRAAL	or failing him
DR. SHRIDHIR SARIPUTTA HANSA WIJAYASURIYA	or failing him
DR. SHARMINI AMRITA COOREY	or failing her
MR. DEVENI VIDANALAGE RENUK SUREN FERNANDO	or failing him
MR. HECTOR MANIL ANTHONY JAYESINGHE	or failing him
MS. RUCHIRA SHUKLA	or failing her
MR. MADHAVAN KARUNAKARAN MENON	

as my/our proxy to represent me/us and vote on my/our behalf at the Forty Seventh Annual General Meeting of the Company to be held on 26 June 2026 at 10.00 a.m., and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	For	Against	Abstained
To re-elect as a Director, Mr. D A Cabraal, who retires in terms of Article 84 of the Articles of Association of the Company.	☐	☐	☐
To re-elect as a Director, Mr. H M A Jayesinghe who retires in terms of Article 84 of the Articles of Association of the Company.	☐	☐	☐
To re-appoint as a Director, Mr. M K Menon who is 71 years of age, in terms of Section 211 of the Companies Act No 07 of 2007 and that the age limitation under Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. M K Menon.	☐	☐	☐
To designate Mr. M K Menon as an Independent Non- Executive Director of the Company in terms of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.	☐	☐	☐
To re-appoint the Auditors and to authorise the Directors to determine their remuneration.	☐	☐	☐

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

.....
Signature/s of Shareholder/s

NOTE:

INSTRUCTIONS AS TO THE COMPLETION OF THE FORM OF PROXY ARE NOTED ON THE REVERSE.

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, or e-mailed to *keellsconsultants@keells.com* no later than 48 hours before the time appointed for the convening of the Meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting.

Please fill in the following details:

Name : .....

Address : .....

.....

.....

Jointly with : .....

Share Folio No. : .....

NIC No. : .....

CORPORATE INFORMATION

Name of Company
John Keells Holdings PLC

Legal Form
Public Limited Liability Company
Incorporated in Sri Lanka in 1979
Ordinary Shares listed on the Colombo Stock Exchange

Company Registration No.
PQ 14

Directors
K N J Balendra - Chairperson / CEO
J G A Cooray - Deputy Chairperson/Group Finance Director
D A Cabraal
S S H Wijayasuriya
S A Coorey
D V R S Fernando
H M A Jayesinghe
R Shukla
M K Menon (Appointed w.e.f. 1 July 2025)

Senior Independent Director
D V R S Fernando (Appointed w.e.f. 4 October 2025)
Audit Committee
H M A Jayesinghe - Chairperson
D A Cabraal
D V R S Fernando

Human Resources and Compensation Committee
D V R S Fernando - Chairperson
D A Cabraal
S S H Wijayasuriya
M K Menon (Appointed w.e.f. 4 October 2025)

Nominations and Governance Committee
S A Coorey - Chairperson
D A Cabraal
S S H Wijayasuriya
R Shukla (Appointed w.e.f. 4 October 2025)

Related Party Transaction Review Committee
H M A Jayesinghe - Chairperson
D A Cabraal
D V R S Fernando

Project Risk Assessment Committee
S S H Wijayasuriya - Chairperson
K N J Balendra
D A Cabraal
J G A Cooray

Registered Office of the Company
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6000
Internet : www.keells.com
Email : jkh@keells.com

Secretaries
Keells Consultants (Private) Limited
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6245
Facsimile : +94 11 243 9037
Email : keellsconsultants@keells.com

Investor Relations
John Keells Holdings PLC
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6170
Facsimile : +94 11 230 6160
Email : investor.relations@keells.com

Sustainability, Enterprise Risk Management and Group Initiatives
186 Vauxhall Street
Colombo 2, Sri Lanka
Telephone : +94 11 230 6182
Email : sustainability@keells.com

Contact for Media
Corporate Communications Division
John Keells Holdings PLC
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6000
Email : jkh@keells.com

Auditors
Ernst & Young
Chartered Accountants
P.O. Box 101
Colombo, Sri Lanka

Bankers for the Company
Bank of Ceylon
Bank of China Limited
Citibank N.A.
Commercial Bank of Ceylon PLC
Deutsche Bank A.G.
DFCC Bank PLC
Hatton National Bank PLC
Hongkong and Shanghai Banking Corporation
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank

Designed & produced by
emagewise
Digital Plates & Printing by Softwave Printing and Packaging (Pvt) Ltd



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