



ANNUAL REPORT

2025/2026

HUNAS HOLDINGS PLC





Repositioned with Purpose
Poised for Growth



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Overview

ABOUT THIS REPORT

Hunas Holdings PLC presents its Annual Report for the financial year ended 31 March 2026, providing stakeholders with a holistic account of the Group’s performance, governance, strategic priorities and approach to sustainable value creation. The report brings together financial and non-financial information to provide a balanced perspective of the Group’s progress during the year, while outlining the strategic foundations for its future growth. Our reporting continues to be guided by the principles of transparency, accountability and responsible corporate conduct, with a focus on providing relevant and meaningful information to our stakeholders.

Reporting Scope and Boundary	Regulatory Framework	Voluntary Framework
This Annual Report covers the operations of the Group in Sri Lanka for the reporting period from 1 April 2025 to 31 March 2026. Prepared on an annual reporting cycle, it incorporates both financial and non-financial information.	The report complies with the reporting requirements of the following regulatory frameworks: • Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka • Companies Act No. 07 of 2007 (as amended) • Listing Rules of the Colombo Stock Exchange	The following voluntary frameworks have been adopted in preparing the report: • United Nations Sustainable Development Goals • Code of Best Practices on Corporate Governance, Institute of Chartered Accountants of Sri Lanka

Combined Assurance

The credibility and reliability of the information presented in this Report are supported through a structured assurance process involving management oversight, internal audit and independent external assurance. The Group’s financial statements and relevant disclosures have been subject to the applicable review and audit processes, providing stakeholders with confidence in the integrity of the information presented.

Forward-Looking Statements

This report includes forward-looking statements based on available internal and external information, reflecting the Group’s strategic outlook. These statements are, however, subject to inherent risks and uncertainties arising from economic conditions, market dynamics, regulatory changes, and other external factors beyond our control. The Group does not undertake to update such statements and accepts no liability for variations arising therefrom. Stakeholders are advised to interpret these insights with due consideration of prevailing conditions.

The Future of Reporting

The Group continues to strengthen the quality and relevance of its corporate reporting. As reporting practices evolve, we remain committed to enhancing our disclosures and progressively aligning our reporting with applicable regulatory requirements, recognised reporting frameworks and emerging global best practices.

Acknowledgement

The contents of this report have undergone thorough internal review by the Group’s senior management team and have been independently verified in accordance with the policies and methodologies outlined in the Corporate Governance section.

The Board of Directors assumes responsibility for the integrity, completeness and fair presentation of the information contained in this Annual Report. The Report has been subject to review by the Group’s management and relevant governance functions and has been prepared with due consideration to the applicable reporting principles and standards.

Feedback

We value the feedback of our stakeholders and welcome suggestions to improve the clarity, relevance, and accessibility of this report. Feedback may be provided via info@hunasholdings.com



ABOUT US

“Hunas Holdings PLC aims to invest and form a portfolio of sustainable investments, driven by established goals to build shareholder value, while being mindful of its social, environmental and economic responsibilities, as it remains to be committed to integrity, morality & fairness in all dealings with its stakeholders.”

Our Diverse Portfolio



4

HOSPITALITY PROPERTIES

Curated hotels and resorts delivering exceptional hospitality experiences.



4

MINI-HYDRO POWER PLANTS

Total Installed Capacity

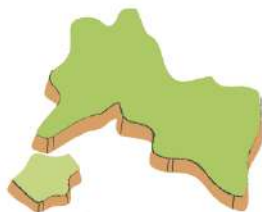
 6 MW



2000+

ACRES PLANTATIONS

Expertly managed plantations delivering quality produce and sustainable returns.



100+

ACRES REAL ESTATE

Strategically located land bank supporting future development and value.



LOGISTICS & MARINE SERVICES

Integrated logistics solutions ensuring efficiency, connectivity and reliability.

Five strong pillars. One unified purpose.

Building sustainable value for today and tomorrow.

Hunas Core Values



RESPONSIBLE GROWTH

We pursue profitable expansion in hospitality, real estate, logistics, and renewable energy while embedding environmental, social, and governance excellence in every decision.



PEOPLE & COMMUNITIES

Hunas invest in the well-being, safety, and development of our employees and the communities surrounding our operations, fostering inclusive and resilient growth.



INTEGRITY & TRANSPARENCY

Hunas upholds the highest standards of ethical conduct, accountability, and open communication with all stakeholders.



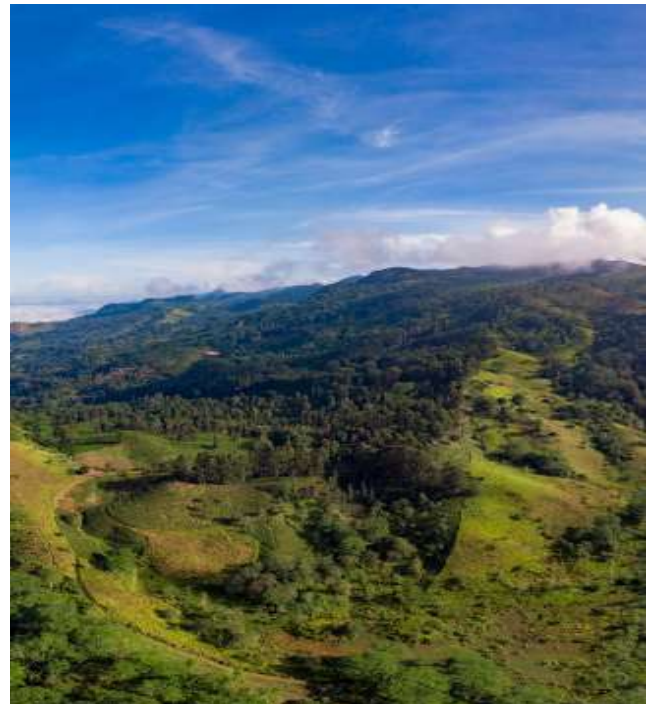
SUSTAINABLE STEWARDSHIP

Hunas protects and regenerates natural resources across our plantations, hydro power assets, and marine operations, ensuring long-term ecological balance and shared prosperity.

Hunas Holdings PLC is more than a diversified conglomerate; it is a custodian of Sri Lanka's heritage. Our portfolio spans hospitality, plantations, renewable energy, real estate, and logistics, but what sets us apart is the cultural, historical, and environmental significance of the assets we steward.

Our responsibility extends beyond investment returns. Through sensitive restoration, sustainable practices, and respect for local tradition, we preserve these treasures as symbols of national pride while building long-term value for our stakeholders.

This stewardship philosophy guides everything we do: honoring history, protecting the environment, and empowering communities, so that progress benefits both the Group and the wider country. At Hunas Holdings, we balance growth with guardianship measuring our legacy not only in financial performance, but in the preservation of Sri Lanka's cultural and natural wealth.



GROUP STRUCTURE



GROUP PERFORMANCE HIGHLIGHTS



		2025/26	2024/25	Change %
Financial Position				
Total Assets	Rs.'000	5,474,496	5,527,303	-1%
Long Term Borrowings	Rs.'000	1,089,290	840,511	30%
Short Term Borrowings	Rs.'000	300,704	569,647	-47%
Total Equity	Rs.'000	2,934,055	2,795,787	5%
Number of shares in issue	Number	849,030,000	849,030,000	0%
Net Assets per Share	Rs.	3.46	3.29	5%
Gearing Ratio (Excluding related party payable)	%	36%	38%	-5%
Debt/ Total Assets	%	25%	26%	-2%
Current Ratio	Times	0.51	0.22	134%
Quick Assets Ratio	Times	0.44	0.16	180%
Financial Performance				
Revenue	Rs.'000	873,598	1,334,738	-35%
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	Rs.'000	123,331	460,679	-73%
Group Profit/(Loss) Before Tax	Rs.'000	(5,111)	348,630	-101%
Group Profit/ (Loss) After Tax	Rs.'000	(27,659)	223,189	-112%
Group Profit/ (Loss) Attributable to Equity Holders of Parent	Rs.'000	(33,734)	214,462	-116%
Earnings/ (Deficit) per Share (EPS)	Rs.	(0.04)	0.25	-116%
Depreciation, Amortisation	Rs.'000	128,442	112,049	15%
Net Finance Cost	Rs.'000	89,698	176,089	-49%
Interest Cover	No. of times	0.9	3	-68%
Return on Equity	%	-1%	9%	-112%
Shareholder Information				
Market Price per Share	Rs.	18.00	23.90	-25%
Market Capitalisation	Rs.'000	15,282,540	20,291,817	-25%

Note: The decline in Group revenue during FY2025/26 was primarily attributable to the Plantation sector and reflects the impact of the strategic disposal of the Rainforest Tea Factory during FY2024/25, which consequently reduced the revenue base available for comparison in the current financial year.

The year-on-year decline in profitability and earnings ratios should be interpreted in the context of the LKR 565 million gain on disposal recognised in the Group's FY2024/25 financial results arising from the disposal of the Rainforest Tea Factory. Accordingly, the reported FY2024/25 results included a significant non-recurring gain, resulting in a higher comparative base for the assessment of the Group's profitability and earnings performance in FY2025/26.

However, when the non-recurring gain on disposal and the associated impact of the Rainforest Tea Factory disposal are excluded from the comparative FY2024/25 results, the Group's underlying financial performance in FY2025/26 demonstrates an improvement over the previous year. On a normalised and like-for-like basis, the Group's current-year performance therefore reflects improved operational profitability and a strengthening of its underlying earnings capacity.

Leadership



CHAIRMAN'S REVIEW



Dear Shareholders,

On behalf of the board, it is with great optimism and renewed purpose that I present the Annual Report for financial year ended 31st March 2026. A year that marked a pivotal return to stability for Sri Lanka and renewed resilience for our Group.

It is with a renewed sense of purpose that I present the Chairman's Message for the financial year ended 31 March 2026. The year began on a positive footing, supported by improving economic conditions in Sri Lanka and encouraging prospects across several of our operating sectors. However, as the year progressed, the Group encountered a number of operational, financial and external challenges that tested our resilience. Against this backdrop, our focus remained firmly on protecting the underlying value of our businesses, strengthening our financial foundations and positioning the Group for sustainable growth.

A Changing Global and Domestic Environment

The global economy remained resilient during 2025, expanding by approximately 3.3%, although growth continued to be uneven across regions. Evolving trade dynamics, geopolitical tensions and disruptions to global supply chains contributed to heightened uncertainty, while more recent developments in the Middle East have increased concerns around energy prices, inflation and investor confidence.

Sri Lanka, meanwhile, continued its economic recovery, recording GDP growth of 5% during 2025. Improvements in fiscal and monetary conditions, policy continuity and ongoing

structural reforms contributed to greater economic stability and strengthened investor confidence. Growth was broad-based, with the Industrial, Services and Agriculture sectors expanding by 8.0%, 3.4% and 1.2%, respectively. The country's external position also strengthened, with a current account surplus of USD 1.7 billion and gross official reserves reaching USD 7.0 billion by March 2026.

While these developments provide a stronger foundation for future growth, the operating environment remains susceptible to external shocks. For the Group, this reinforced the importance of maintaining financial discipline, strengthening resilience and remaining agile in responding to changing conditions.

Plantations: Building Long-Term Value

The plantation sector operated against a challenging backdrop of rising costs, market volatility and geopolitical uncertainty. Our response remained centred on protecting the quality of our estates, improving operational resilience and increasing the value derived from our plantation assets.

A key development was the continued progress of Aigburth Ceylon as a premium tea proposition. The expansion of its single-origin portfolio, including BOP Specials, FBOPF Spe-

cial, Silver Tips and Golden Tips, has strengthened the brand's market positioning and created opportunities to move further towards value-added tea. Alongside our branded offering, we continued to develop bulk and white-label channels, providing a broader and more balanced route to market.

Leisure: Positioning for the Next Phase

Leisure remained a key area of focus as Sri Lanka's tourism industry continued its recovery. Our portfolio of Hunas Falls Hotel, Boulder Gardens, Rainforest Edge and Aigburth Bungalow provides a strong foundation from which to develop distinctive hospitality experiences while preserving the character of each property.

During the year, we established centralised Sales, Digital Marketing and Reservations functions across the Group, creating a more integrated commercial platform for our leisure portfolio. This initiative is expected to improve market reach, strengthen coordination and enhance revenue opportunities across the properties.

The sector nevertheless experienced significant short-term disruption following Cyclone Ditwah, particularly in the hill country, where damage to roads and interruptions to essential services affected operations during December and January. Geopolitical developments in the Middle East also influenced tourism demand. Despite these setbacks, the Group responded promptly to restore operations and remains confident in the underlying strength and long-term prospects of Sri Lanka's tourism sector.

Power: Resilience Through Adversity

The renewable energy business commenced the year on a positive trajectory; however, the sector subsequently encountered operational challenges arising from adverse weather conditions and project-related developments. Cyclone Ditwah resulted in significant landslide damage to Weswin Power Galaha, which affected its operations from late November 2025. Following a strategic assessment, the asset was disposed of at cost, thereby avoiding any further financial exposure to the Group's balance sheet. Galabodawatta Power also experienced significant damage from landslides, affecting generation during the year. These operational challenges, together with delays in receivables from the Ceylon Electricity Board, placed temporary pressure on the sector's financial performance and liquidity.

As part of the Group's broader portfolio optimisation strategy, two project companies were also divested during the year, following a review of the timelines associated with their respective project development. These decisions were undertaken in a measured and strategic manner, with no adverse impact on stakeholders, while enabling the Group to deploy its resources

more efficiently and strengthen its overall financial position.

The experience of the year has reinforced the importance of climate resilience, prudent asset management and portfolio diversification. The Group continues to strengthen its existing renewable energy operations while evaluating opportunities in solar and other sustainable energy initiatives that offer attractive long-term potential.

While the sector experienced a challenging period, we remain positive about the role of renewable energy within the Group and its importance to Sri Lanka's transition towards a more sustainable and secure energy future.

Logistics and Marine Services: A New Growth Platform

The Group's expansion into logistics and marine services marks an important step in broadening our business platform. Sri Lanka's strategic location along major international shipping routes provides a strong foundation for developing capabilities in logistics, supply-chain management and related marine services.

Having established the foundations of this business, our focus in the coming year will be on developing strategic partnerships, expanding capabilities and identifying opportunities that can generate sustainable revenue while creating synergies with our existing portfolio. We see this sector as a promising future contributor to the Group.

Our People

Throughout a demanding year, the commitment and resilience of our employees remained one of the Group's greatest strengths. Across our diverse businesses, our people continued to demonstrate adaptability and dedication in maintaining operations and supporting the Group through a period of significant change.

We will continue to invest in developing capabilities, leadership and cross-functional collaboration, while fostering a culture built on accountability, integrity and performance. A capable and engaged workforce will remain essential to the successful execution of our strategy.

Looking Ahead: Repositioning for Sustainable Growth

The year ahead will be an important period of strategic repositioning for Hunas Holdings. Our priorities will include strengthening the balance sheet, improving operational efficiency, optimising our portfolio and directing resources towards businesses with the greatest potential to generate sustainable returns.

In Renewable Energy, we will continue to strengthen our existing hydro assets while pursuing solar opportunities. In Plantations,

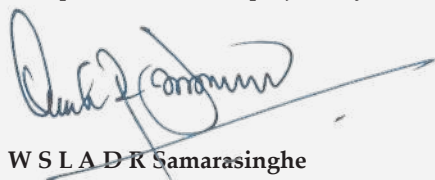
we will focus on productivity, value-added tea and stronger market channels. In Leisure, we will continue to reposition our properties and expand our hospitality platform, including the introduction of a new hospitality brand and commercial platform that is expected to support the growth of our existing and future portfolio.

We will also seek to unlock value from our real estate assets through carefully structured developments, while continuing to build Logistics and Marine Services as an emerging growth vertical. Across these initiatives, capital allocation will remain disciplined and closely aligned with the Group's financial objectives.

The year under review was undoubtedly a challenging period for the Group, and we recognise that the coming year may also present its share of difficulties. Nevertheless, the challenges we have faced have sharpened our focus and reinforced the need for decisive action. Management and the Board remain fully committed to strengthening the Group's financial position, restoring the performance of affected businesses and creating a more resilient platform for the future.

We enter the new financial year with cautious optimism, a clearer strategic direction and a renewed commitment to execution. Our objective is to build a stronger, more focused and financially sustainable Hunas Holdings that can withstand uncertainty, capture emerging opportunities and deliver lasting value to our shareholders and wider stakeholders.

On behalf of the Board, I extend my sincere appreciation to our employees, customers, business partners, investors and all other stakeholders for their continued confidence and support. Their trust remains fundamental as we undertake the next phase of the Group's journey.



W S L A D R Samarasinghe
Chairman

03rd September 2026

PROFILES OF THE BOARD OF DIRECTORS



Mr. Dhanuka Samarasinghe
Chairman

Mr. Samarasinghe is a strategist; who has been in the Board of Hotel Development PLC since 2015 and whose academic roots come from Strategic Business Management.

Upon the completion of his studies at Deakin University, Australia, Dhanuka joined his family businesses that were mainly engaged in Plantations and Rubber.

Dhanuka is one of the proud co-founders of the TAD Group of Companies, a fast-growing diversified conglomerate. The group holds over 30 subsidiaries, headed by Dhanuka as the Chairman, playing an instrumental role as a strategist on the overall operations of the Group.

Dhanuka also serves as the Chairman of the Board at Mercantile Produce Brokers, currently the 4th Largest Tea Brokering Company in Sri Lanka and former Director of Hotel Developers (Lanka) PLC - a publicly listed company at the Colombo Stock Exchange, owning Hilton, Colombo.



Mr. Atheeq Ansar
Executive Director

Mr. Ansar serves as the Managing Director for the TAD Group of companies adding unsurpassed value to the group through his envisioned and far-sighted business personality as well as his passion for business.

He is a specialist in finance with a keen interest in promoting sustainable businesses while discharging social, environmental and economic responsibilities towards all stakeholders involved in businesses headed by him.

Being a proud co-founder of TAD, his own business venture, Atheeq holds over 10 years of corporate experience in the field of finance, having served for internationally acclaimed corporate setups such as Price Waterhouse Coopers and Moody's Analytics.



Ms. Sujivie Irugalbandara
Executive Director

Ms. Irugalbandara holds the Finance Directorship of the TAD Group of Companies, adding immense value as an outstanding feminine representation in the board. She is a strong believer of women empowerment and equality and takes pride in accepting challenges in life and facing them successfully enlivened by her profile of talents and charisma.

She has been heading the overall Finance and Tax Functions and involved in strategic planning, in several leading corporates in Sri Lanka over the years. An Alumni of KPMG, Ms. Irugalbandara counts over 28 years of experience in the field of finance and also was a corporate Director at Sierra Cables PLC.

She holds a Master of Business Administration in Finance, from the University of South Queensland reflecting the scholarly insight in her area of expertise.



Mr. Toshiaki Tanaka
Executive Director

Mr. Tanaka is a versatile and highly sought after professional, concurrently part of the top-management of several leading conglomerates in Japan, Sri Lanka, Malaysia, Maldives and Singapore.

Tanaka previously worked at the Nippon Credit Bank, Patnum Investment Tokyo and Fidelity International Tokyo as well as Gartmore Asset Management in London. He is a Chartered Member of the Securities Analysts Association of Japan (CMA) and has read for a B.A. in Economics at the Keio University.



Mrs. Misako Tanaka
Executive Director

Mrs. Tanaka is a Director and Shareholder of a number of companies in Sri Lanka, Malaysia and Singapore including; A Minute by TukTuk, Entomo (Formerly KPISOFT) and Telen Pte Ltd to name a few, to which she has rendered her valuable service. She is also a member of the Board of Directors of the TAD Group of Companies contributing to the success of the group. Mrs. Tanaka is also a prolific Sommelier of the Japan Sommelier Association (JSA).



Ms. Pravini Wickramanayake
Executive Director

Ms. Wickramanayake manages the Investor Relations Division at TAD Group and also functions in the capacity of the Board Secretary. Having a background in Accounting and Finance, she obtained her BBA (Specialised) in Accounting and Finance from the Ritsumeikan Asia Pacific University in Japan.



Mr. Gajan Vinothan
Independent Non - Executive Director

Mr. Vinothan is a Management Accountant by Profession, a CIMA Passed finalist and Trained Financial Analyst. He has over seven years of experience working at PricewaterhouseCoopers and Moody's Analytics.

Presently, he is also the Director and CEO of Stripes & Checks (Pvt) Ltd, the company behind the Menswear brand Stripes & Checks Inc which he Co-Founded in 2014.



Mr. Koji Sugimoto
Senior Independent Non - Executive Director

Mr. Sugimoto actively serves as an investment advisor to a number of companies in Japan. With ample experience from his time at a well-known Japanese Securities firm, he started his own management consulting firm and presently serves as an advisor for listed & unlisted companies on fundraising, mergers & acquisitions.

He is also a director of Mars Company Ltd Co, which is proactively involved in non-thermal energy related products, promoting the importance of minimizing food waste.



Mr. Madhura De Lanerolle
Independent Non - Executive Director

Mr. Madhura De Lanerolle is a Fellow member of the Chartered Institute of Management Accountants (FCMA), Chartered Global Management Accountant (CGMA) and an Associate member of the Chartered Institute of Marketing (ACIM) with over 20 years of progressive finance experience across FMCG, technology, IT distribution, e-commerce, and export-oriented sectors, leading financial strategy and governance across a diversified technology group spanning cloud computing, AI, cybersecurity, and telecommunications. He also serves as a Non-Executive Director of Insights Initiative, supporting public-interest research and national reconciliation in Sri Lanka, and is the only member outside New Zealand on the Office of CFO Millennial Advisory Council — reflecting his standing as a globally recognized finance and governance professional.



KEY MANAGEMENT



Mr. Prabath De Alwis
Power Sector Director / Chief Executive Officer

Mr. De Alwis is the CEO of the Power Sector and is a patriotic personality and great believer in his country and its people's potential. He strives to explore new and innovative ways of creating economic opportunities with the intention of creating win-win situations to all stakeholders involved.

He counts over 25 years of corporate experience in the areas of Leisure, Renewable Energy, Plantations & F&B. De Alwis also functioned in the capacity of the Private Secretary to the Minister of Public Administration from 2011 – 2015. He studied Banking and Finance at University of Monash, Australia and also holds a Master's in Strategic Management from the Federation University Australia.



Mr. Hirantha Pandithasekara
Group Chief Operating Officer

Hirantha brings over 25 years of experience in the corporate sector, mostly between Finance, Vehicles, Insurance, Leisure and Plantation industries with proven expertise in credit management, sales, marketing, and operational leadership.

He currently serves as the Group Chief Operating Officer for Hunas Holding PLC after an illustrious career as an Executive Committee member at Mercantile Investments and Finance PLC a leading financial institution regulated by the central bank of Sri Lanka. He last served in the capacity of the General Manager – Process Re-engineering and Operations and accumulated close to two decades of managerial experience. In addition, he has also contributed at board level, serving as a Director of Hunas Falls Hotel PLC during 2019/20, where he also chaired the Audit Committee as an Independent Director during the company's listing on the Colombo Stock Exchange. Hirantha holds an MBA in Business Administration from the University of Wolverhampton.



Mr. Hasantha Rupasinghe
Group Chief Financial Officer

Hasantha is a visionary Group Chief Financial Officer with over 22 years of passionate and progressive leadership experience in strategic business planning, financial management, and business expansion including mergers and acquisitions across a wide range of industries. His career spans diversified business conglomerates in sectors such as FMCG, leisure, finance, IT, construction, apparel, logistics, and more.

Before his appointment as the Group CFO of Hunas Holdings PLC, Hasantha held senior leadership positions including GCFO and Head of Finance at several prominent organizations include Hayleys Advantis 3PL Plus, Softlogic Restaurants (Pvt) Ltd, Uga Escapes Group of Hotels, Pelwatte Dairy Industries Limited, Platform One (Pvt) Ltd, Raigam Group of Companies, Nation Lanka Finance PLC, Orzorne Mineral Water (Pvt) Ltd, Ackzorne Lanka (Pvt) Ltd.

His multidisciplinary financial expertise is complemented by a robust academic and professional background. He is a Fellow Member of CA Sri Lanka, CIMA (UK), CPA Australia, CMA Sri Lanka, and CPM Sri Lanka. Additionally, he is an Associate Member of ACCA (UK) and the Chartered Institute of Marketing (UK). Hasantha also holds an MBA from the University of West London (UK).

KEY MANAGEMENT (Cont.)



Mr. Dulan Kandeearachchi
Group Finance Manager

Dulan is a finance professional with over 15 years of experience in finance, accounting, auditing, and financial management across diverse industries, including FMCG, leisure, education, professional services, and multinational operations.

He currently serves as the Group Finance Manager of Hunas Holdings PLC, with responsibility for the Group's overall finance function, including financial reporting, consolidation, taxation, budgeting, treasury, and financial planning.

He has held senior finance positions in both local and international organizations, with broad expertise in corporate finance, risk management, internal controls, audit and assurance, and strategic financial management

He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and also holds Associate Membership of the Institute of Certified Management Accountants of Sri Lanka (ACMA) and the Association of Accounting Technicians of Sri Lanka (MAAT). Dulan brings a strong combination of technical knowledge, leadership capability, and commercial understanding to financial management and business decision-making.



Mr. Buwaneka Pathirana
Manager – Sustainability, Nature & Compliance

Buwaneka is a sustainability and biodiversity professional with over a decade of multidisciplinary experience spanning corporate sustainability, ESG reporting, biodiversity conservation and research, environmental management, compliance, and eco-hospitality.

He leads the Group's sustainability, nature and environmental compliance functions, including ESG and sustainability reporting, biodiversity initiatives, environmental performance and regulatory compliance, supporting the integration of responsible and nature-positive practices across Hunas Holdings PLC.



Mr. Dulshanka Jayathilaka
Consultant - Plantation

Dulshanka Jayathilaka is a distinguished figure in Sri Lanka's plantation industry, bringing an impressive 17 years of in-depth experience that sets him apart as a leading expert in the field. His career has been marked by significant roles in prominent organisations, including Talawakelle Tea Estates PLC and Madolsima Plantations PLC, where he has consistently demonstrated his exceptional leadership and management prowess.

Throughout his career, Dulshanka has skillfully overseen extensive estates and production facilities, effectively managing a diverse workforce of over 800 employees. His ability to maximise production while implementing sustainable practices highlights his commitment to both efficiency and environmental stewardship. Currently serving as the Senior Group Manager at Talawakelle Tea Estates, he is instrumental in spearheading the Group's strategic initiatives and operational success, ensuring that the company remains at the forefront of the plantation sector.

In addition to his managerial responsibilities, Dulshanka's influence extends into the community as the Chairman of the Nuwara Eliya Region Scientific Committee. In this capacity, he advocates for advancements within the industry, championing scientific research and innovation to foster growth and sustainability.

Dulshanka's extensive expertise encompasses strategic planning, quality management, and the implementation of sustainable practices, all of which are vital to enhancing the strength and innovation of the Group's plantation operations. His dedication to excellence continues to shape the future of Sri Lanka's plantation sector, positioning it for sustainable success. Dulshanka holds an MBA in Business Administration (UK).

An aerial photograph of a river flowing through a lush, green forest. In the lower-left corner, there is a large, circular structure with a radial pattern, possibly a dam or a large wheel. The river flows from the top left towards the bottom right. The text "Management Discussion & Analysis" is overlaid in a large, black, serif font on a semi-transparent white background in the center-right of the image.

Management Discussion & Analysis

SUSTAINABILITY GOVERNANCE

Creating Sustainable Value through Nature, People and Responsible Growth
GRI 2-22 | GRI 2-23 | GRI 2-24



At Hunas Holdings PLC, sustainability is integral to the way we create and preserve long-term value. As a diversified Group operating across Leisure & Hospitality, Renewable Energy, Plantations & Tea, Logistics & Marine Services, and Real Estate, our businesses interact with people, communities, natural resources and ecosystems in different ways.

These relationships create both opportunities and responsibilities. Our hospitality and plantation operations maintain close connections with natural landscapes, biodiversity and local communities; renewable energy generation depends on water resources, healthy catchments and resilient infrastructure; logistics operations involve mobility, fuel consumption,

OUR SUSTAINABILITY COMMITMENT

We seek to create sustainable long-term value by conducting our businesses responsibly, protecting natural ecosystems, empowering our people, strengthening stakeholder relationships and maintaining sound governance.

Our sustainability commitment provides a common direction for responsible business across the Group while recognising that each business faces different environmental and social impacts, dependencies, risks and opportunities.

We seek to progressively integrate responsible resource use, climate resilience, biodiversity conservation, employee wellbeing, occupational health and safety, community engagement, ethical business conduct, regulatory compliance and transparent ESG reporting into the management of our businesses.

Through continuous improvement, we aim to strengthen the resilience of our operations while creating value for shareholders, employees, customers and guests, communities, business partners and other stakeholders.

emissions and occupational safety; while our real estate activities require responsible resource use, regulatory compliance and long-term asset resilience.

We recognise that sustainable business performance therefore extends beyond financial outcomes. Long-term resilience depends on our ability to manage environmental and social impacts, use resources responsibly, support our people, maintain constructive stakeholder relationships and uphold sound corporate governance.

Our sustainability approach provides a common direction across the Group while recognising the different operating contexts of our businesses. Through progressively strengthening governance, ESG performance

OUR SUSTAINABILITY PRINCIPLES

Hunas Holdings adopts a Group-wide approach to managing sustainability while allowing individual businesses to address the environmental and social priorities most relevant to their operations.

Our approach is built around four interconnected processes that support the integration of sustainability into decision-making and performance management.

PROTECT- Nature & Biodiversity

Protect biodiversity, ecosystems and natural landscapes connected with our operations while promoting responsible stewardship of the environments upon which our businesses depend.

CONSERVE- Resources

Use energy, water, land and materials responsibly, improve resource efficiency and reduce waste and other environmental impacts.

EMPOWER- People

Create safe, inclusive and supportive workplaces that strengthen employee capability, wellbeing and long-term development.

monitoring, environmental compliance, biodiversity stewardship, employee and community engagement and transparent reporting, we seek to embed sustainability considerations into the way our businesses operate and grow.

During FY2025/26, the Group further strengthened this approach through the implementation of a Group-wide ESG Strategy structured around seven strategic pillars and 29 sustainability elements. This framework supports long-term value creation, operational resilience and responsible corporate growth across our diversified portfolio. The Group's existing sustainability disclosure similarly identifies the Seven-Pillar/29-Element strategy as a central development during FY2025/26.

CONNECT- Stakeholders & Communities

Build constructive and mutually beneficial relationships with communities, customers and guests, regulators, suppliers, business partners and other stakeholders.

GOVERN- Responsibly

Maintain accountability, ethical conduct, regulatory compliance, transparency and responsible decision-making across the Group.

OUR APPROACH TO SUSTAINABILITY MANAGEMENT

Hunas Holdings adopts a Group-wide approach to managing sustainability while allowing individual businesses to address the environmental and social priorities most relevant to their operations.

Our approach is built around four interconnected processes that support the integration of sustainability into decision-making and performance management.

SUSTAINABILITY ACROSS OUR BUSINESSES



1.1 OUR SUSTAINABILITY FRAMEWORK

From Group Direction to Business-level Action

Our sustainability framework connects strategic oversight, executive accountability, Group-level sustainability coordination and business-level implementation. It provides the structure through which sustainability priorities are translated into operational action, performance monitoring and reporting across the Group.

The Board of Directors retains overall oversight of the Group's sustainability direction and sustainability-related matters relevant to long-term value creation. The Group's existing sustainability-related disclosure confirms the Board's ultimate oversight responsibility and management's responsibility for implementation.

Executive oversight is supported by the Group COO and Group CFO, while the Manager – Sustainability, Nature & Compliance coordinates sustainability implementation, ESG reporting, environmental compliance, biodiversity initiatives and related sustainability activities across the Group. ESG Focal Points support performance-data collection and implementation at business-unit level.



This information flow supports consistent ESG performance monitoring across the Group and enables sustainability-related matters requiring management attention to be identified and addressed through the appropriate governance channels.

1.2 OUR SUSTAINABILITY MANAGEMENT APPROACH

Hunas Holdings PLC adopts a Group-wide approach to sustainability management that reflects the diversity of our operations while maintaining a common direction for responsible business. Our approach connects sustainability priorities with governance, operational management, compliance, stakeholder engagement, performance monitoring and continuous improvement.

01. UNDERSTANDING OUR EVOLVING BUSINESS MODEL

We periodically consider how our diversified businesses create value and interact with people, communities, natural resources and the wider operating environment.

Understanding these relationships enables us to identify where sustainability impacts, dependencies, risks and opportunities may arise across our portfolio and supports the continued resilience of our businesses.

1.3 ESG STRATEGY

Seven Pillars for Sustainable Value Creation

Our ESG Strategy translates the Group's sustainability commitment into a structured framework for action across our diversified businesses.

During FY2025/26, Hunas Holdings implemented a Group-wide ESG Strategy comprising seven strategic pillars and 29 sustainability elements, providing a common framework for environmental, social and governance priorities across the Group. This seven-pillar/29-element framework is also documented in the Group's existing sustainability-related disclosure.

The Strategy enables common Group priorities to be applied according to the specific operating context of each business while supporting responsible growth, resilience and long-term value creation.

1.4 KEY SUSTAINABILITY INITIATIVES 2025/26

Translating Strategy into Action

During FY2025/26, Hunas Holdings continued to translate its ESG Strategy into practical initiatives across its diversified businesses. Our focus extended from strengthening Group-wide ESG management and biodiversity stewardship to resource efficiency, responsible plantation practices, renewable energy, employee capability and community engagement.

The following initiatives represent some of the key actions undertaken during the year and demonstrate how sustainability

02. STAKEHOLDER ENGAGEMENT

Engagement with stakeholders provides important insights into expectations, concerns and emerging priorities.

Our businesses interact with shareholders and investors, employees, customers and guests, local communities, government and regulators, suppliers and business partners, financial institutions and technical partners through channels appropriate to each relationship.

Further information will be provided in the separate Stakeholder Engagement section.

03. REVIEW OF SUSTAINABILITY STANDARDS

We continue to monitor evolving regulatory requirements, sustainability reporting practices, industry guidance and relevant national and international frameworks.

This supports the progressive development of our ESG management and reporting processes and helps ensure that sustainability considerations remain responsive to emerging expectations.

Detailed sustainability-related financial disclosures are presented separately in the relevant section of this Annual Report.

04. DETERMINING MATERIAL SUSTAINABILITY TOPICS

We consider sustainability matters arising from our operating activities, stakeholder relationships, environmental and social impacts, regulatory requirements, ESG performance and broader industry developments.

This process helps identify sustainability matters requiring management attention, performance monitoring and disclosure.

Further information is presented in the separate Material Topics section.



considerations are progressively being embedded within our operations.

GROUP-WIDE ESG REPORTING FRAMEWORK

Strengthening Data, Accountability & Transparency

A structured Group-wide ESG data collection and reporting framework was implemented across operating businesses during FY2025/26, strengthening the systematic monitoring of environmental, social and governance performance.

ESG focal points support monthly data collection across key indicators including energy and fuel consumption, emissions,

water, waste, workforce, occupational health and safety, community initiatives and governance. This provides a more consistent foundation for performance monitoring, management decision-making and sustainability disclosure.

BIODIVERSITY ASSESSMENT & NATURE STEWARDSHIP

Building a Scientific Foundation for Conservation

The Group strengthened its biodiversity management approach through scientific biodiversity assessment and conservation-focused initiatives across environmentally significant properties.

At Hunas Falls, Phase I of the comprehensive biodiversity assessment established an important ecological baseline, recording 241 faunal species and 160 plant species, including endemic and threatened species.

Within the plantation portfolio, biodiversity assessment and High Conservation Value (HCV) considerations support a more systematic understanding of ecologically important habitats and provide a foundation for conservation-sensitive land management.



SUSTAINABLE TEA CULTIVATION & QUALITY IMPROVEMENT

Strengthening Quality from Field to Factory

Aigburth continued to strengthen the sustainability and quality of its tea operations through an integrated programme covering field practices, harvesting and factory processes. Initiatives included maintaining appropriate plucking standards, improving green leaf handling and collection, strengthening factory leaf-receiving procedures and providing awareness programmes for harvesters on quality and good agricultural practices.

Tea Research Institute (TRI) recommended agronomic practices were adopted to support soil health, soil fertility and the long-term sustainability of tea cultivation. Quality-focused interventions also included the provision of plucking baskets and improved leaf sacks to harvesters, helping maintain green leaf quality during harvesting and transportation.



SUSTAINABLE GREEN LEAF SUPPLY & SMALLHOLDER ENGAGEMENT

Creating Shared Value with Local Farmers

The plantation business initiated the direct procurement of green leaf from smallholder farmers, strengthening the long-term availability of raw material while extending economic opportunities to farming communities surrounding the estate.

Regular communication and meetings with smallholders provide opportunities to strengthen relationships, encourage continued participation and improve awareness of quality and responsible agricultural practices.

This initiative demonstrates how supply-chain resilience can be combined with local economic participation and stronger community relationships.



FOREST CONSERVATION & RESPONSIBLE RESOURCE USE

Protecting Environmentally Sensitive Landscapes

Recognising the ecological significance of the landscape surrounding Aigburth and its proximity to the Sinharaja Rainforest ecosystem, the estate maintains a policy of not harvesting estate trees to meet factory fuelwood requirements.

The initiative reduces pressure on estate tree resources and contributes to the protection of high-value and environmentally sensitive areas within the plantation landscape.

This approach reflects the Group's commitment to responsible land stewardship and safeguarding natural ecosystems associated with its operations.

EMPLOYEE WELLBEING, CAPABILITY & RECOGNITION

Supporting the People Behind Our Tea

Aigburth continued to invest in the wellbeing, capability and engagement of its plantation and factory workforce through a combination of health, training and employee-recognition initiatives.

Quarterly medical camps support the health and wellbeing of employees and the wider estate community, while awareness and training programmes covering **good agricultural practices, good manufacturing practices, harvesting quality and operational requirements** contribute to workforce capability.

A monthly recognition programme rewards the **best tea pluckers from each division with gift vouchers**, encouraging employee motivation while reinforcing productivity and green leaf quality.



REACTIVATION OF HUNAS FALLS ORGANIC FARM

Connecting Sustainable Agriculture with Hospitality

The reactivation of the Hunas Falls Organic Farm represents an opportunity to integrate responsible food production with sustainable hospitality and guest engagement.

The initiative supports environmentally responsible cultivation while creating opportunities to strengthen local food production, environmental awareness and the connection between agriculture, nature and the guest experience at Hunas Falls.



RENEWABLE ENERGY GENERATION

Supporting Sri Lanka's Transition to Cleaner Energy

During FY2025/26, Hunas Holdings' mini-hydropower operations generated **17.27 GWh (17,270,219 kWh) of renewable electricity**, contributing clean energy to Sri Lanka's national electricity supply. Renewable energy remains an important component of the Group's diversified portfolio and demonstrates our contribution towards a lower-carbon energy future.

09 COMMUNITY & SOCIAL INVESTMENT

Creating Value Beyond Our Operations

Hunas Holdings continued to engage with and support communities surrounding its operations through initiatives addressing **health and wellbeing, education, community development, cultural engagement and institutional support**.

During FY2025/26, the Group implemented **17 CSR programmes**, with a recorded investment of **LKR 653,557.80**, reaching **10,700 direct and indirect beneficiaries**.



ESG KPI UPDATE

FY2025/26 Performance at a Glance

Hunas Holdings continued to strengthen its Group-wide approach to environmental, social and governance performance during FY2025/26. The year represented an important step in improving the systematic collection, consolidation and monitoring of ESG information across the Group's diversified operations.

The following ESG KPI Update presents key quantitative indicators covering environmental performance, people and communities, health and safety, and governance. These indicators complement the narratives presented throughout the Capital chapters and provide a consolidated

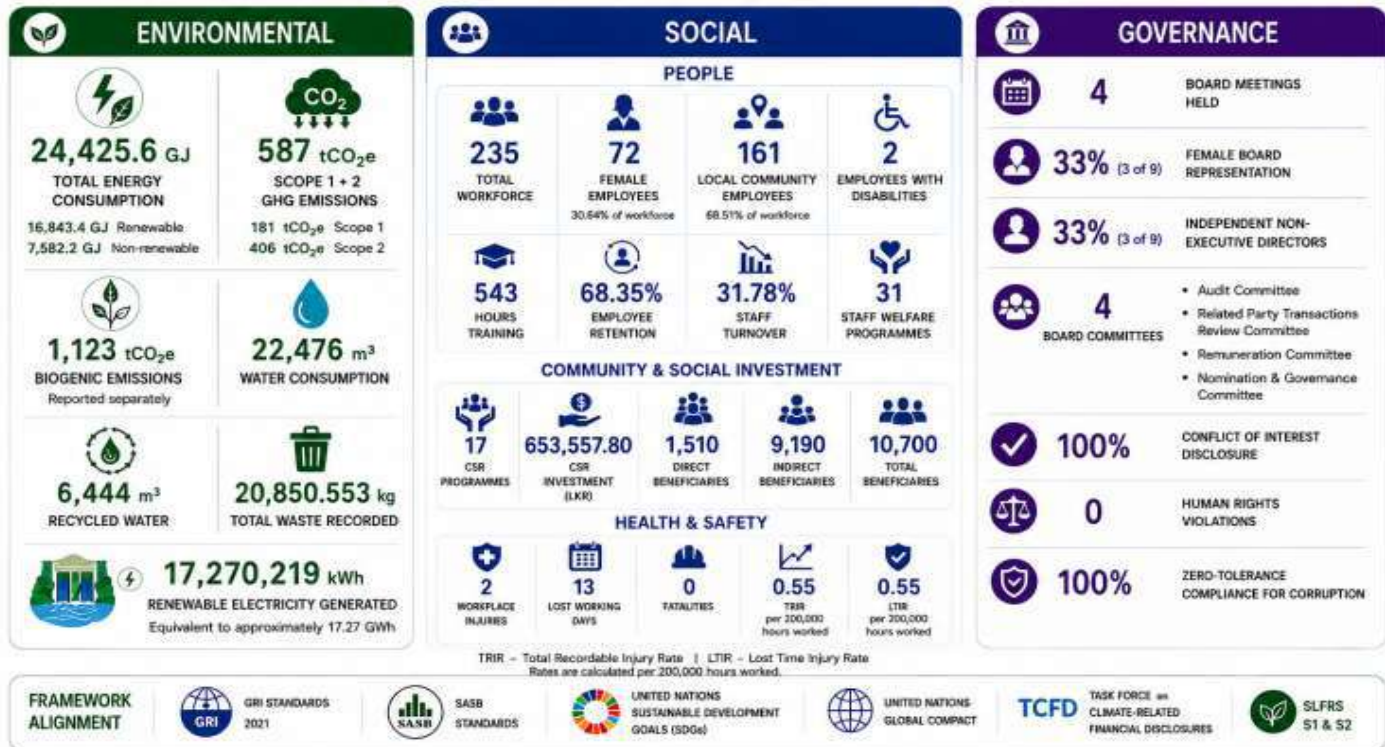
view of the Group's FY2025/26 sustainability performance.

Where formal Group-level baselines and quantitative targets have not yet been established, the current reporting period provides an important foundation for future performance measurement and target setting.

ESG PERFORMANCE SNAPSHOT

FY2025/26 Performance at a Glance

Key environmental, social and governance indicators reflecting our performance across the Group for FY2025/26.



1. ENVIRONMENTAL KPI UPDATE

CLIMATE CHANGE & GHG EMISSIONS

KPI	FY2025/26
Scope 1 GHG emissions	181 tCO ₂ e
Scope 2 GHG emissions	406 tCO ₂ e
Total Scope 1 + 2	587 tCO ₂ e
Biogenic emissions	1,123 tCO ₂ e

ENERGY

KPI	FY2025/26
Total energy consumption	24,425.6 GJ
Renewable energy consumption	16,843.4 GJ
Non-renewable energy consumption	7,582.2 GJ
Renewable electricity generated	17,270,219 kWh

Approximately **69.0% of reported energy consumption was renewable**, reflecting the significant contribution of biomass within the Group's energy profile.

WATER

KPI	FY2025/26
Water consumption	22,476 m ³
Recycled water	6,444 m ³

WASTE

Waste Category	FY2025/26
Organic	17,962.480 kg
Plastic	872.620 kg
Polythene	498.250 kg
Paper	605.790 kg
Glass	688.710 kg
Metal	167.750 kg
E-waste	54.953 kg
Total	20,850.553 kg

2. SOCIAL KPI UPDATE

PEOPLE

KPI	FY2025/26
Total workforce	235
Female employees	72
Female representation	30.6%
Local community employees	161
Local employment	68.5%
Employees with disabilities	2
Employee retention	68.35%
Staff turnover	31.78%
Training	543 hours
Staff welfare programmes	31

COMMUNITY & SOCIAL INVESTMENT

KPI	FY2025/26
CSR programmes	17
CSR investment	LKR 653,557.80
Direct beneficiaries	1,510
Indirect beneficiaries	9,190
Total beneficiaries	10,700

HEALTH & SAFETY

KPI	FY2025/26
Workplace Recordable Injuries	2
Lost-Time Injuries	2
Lost Working Days	13
Fatalities	0
TRIR	0.55
LTIR	0.55

3. GOVERNANCE KPI UPDATE

KPI	FY2025/26
Board meetings held	4
Female Board representation	33% (3 of 9)
Independent Non-Executive Directors	33% (3 of 9)
Board Committees	4
Conflict of interest disclosure	100%
Human rights violations	0
Zero-tolerance compliance for corruption	100%

STAKEHOLDER ENGAGEMENT



For Hunas Holdings PLC, stakeholder engagement is not merely a policy; it is a core pillar of our corporate strategy, dynamic governance, and long-term value creation. As a diversified Sri Lankan conglomerate with investments spanning Hospitality, Renewable Energy, Plantations, Real Estate, and Logistics & Marine Services, the Group serves as a dedicated custodian of the island’s rich cultural, historical, and natural heritage.

Following a decisive financial turn-around in FY 2024/25 our 2025/26 engagement strategy reinforces our commitment to balancing commercial momentum with environmental stewardship, social responsibility, and ethical integrity. By maintaining structured, multi-channel dialogues with our ecosystem, we proactively capture emerging trends, refine risk management frameworks, and solidify our social license to operate across all business verticals.

Stakeholder Engagement Principles

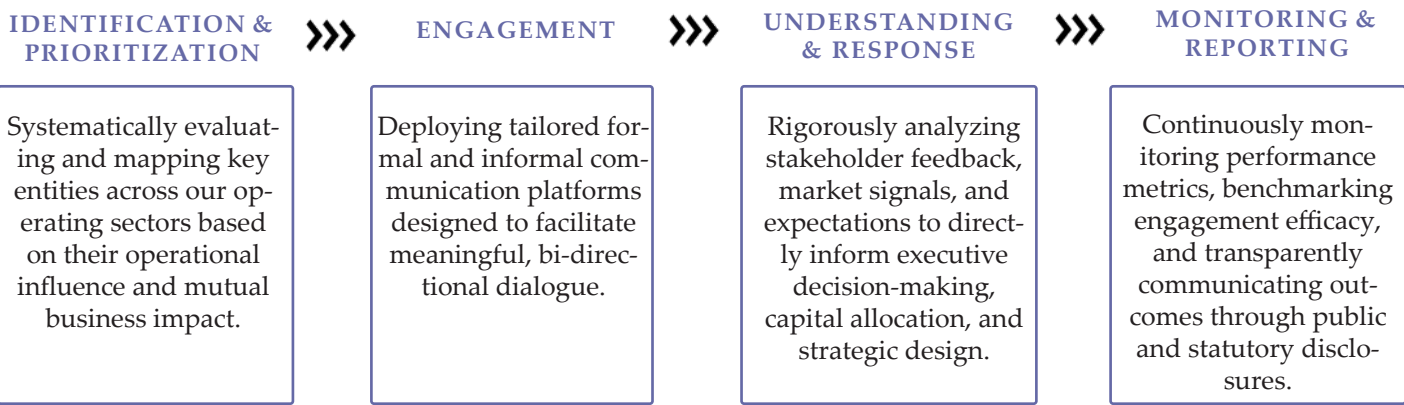
Our interaction with every individual, community, and institution is anchored in five foundational principles that ensure our engagements remain impactful, transparent, and mutually enriching:

Purpose-Driven Strategy	Radical Inclusivity	Proactive Timeliness	Uncompromising Transparency	Mutual Respect & Stewardship
Every dialogue is initiated with clear, defined parameters and strategic outcomes, ensuring our efforts directly cultivate shared, long-term value.	We actively integrate a broad spectrum of perspectives across sectors, ensuring marginalized and key stakeholder voices alike meaningfully influence our strategic roadmap.	Engagements are embedded early at project inception and operational milestones, allowing external insights to guide structural decisions and foster early consensus.	We uphold rigorous standards of open, honest communication, supplying accurate data to empower informed decision-making among all partners.	We acknowledge and respect the expertise, perspectives, and needs of all our stakeholders. We foster an environment of mutual respect, where every voice is heard and valued.



The Stakeholder Engagement Process

Hunas Holdings PLC operates a continuous, four-stage strategic feedback framework designed to align Group operations with evolving stakeholder expectations and market dynamics:



Key Stakeholder Ecosystem

We recognize eight core stakeholder groups whose trust and collaboration are essential to sustaining our enterprise value:

- Employees**
The cornerstone of our enterprise, driving operational excellence across our tea estates, hydro plants, hospitality properties, and logistics networks.
- Shareholders & Capital Providers**
Institutional and retail investors seeking consistent financial performance, capital preservation, and transparent governance.
- Guests & Customers**
Valued patrons across our iconic hospitality destinations (including Hunas Falls, Boulder Gardens, and Rainforest Hotels) who expect uncompromised service excellence and eco-conscious hospitality.
- Local Communities**
Neighboring populations near our 2,148 acres of plantations, hydro sites, and real estate assets whose economic and social well-being remain integral to our vision.
- Suppliers & Value Chain Partners**
Critical vendors providing essential goods and services that underpin our operational continuity and quality standards.
- Business Partners**
Tour operators, corporate clients, and joint-venture partners expanding our market footprint.
- Environmental & Conservation Partners:**
Specialist NGOs and ecological advisers partnering with us to preserve biodiversity, manage carbon footprints, and implement ESG best practices.
- Government & Regulators**
Governing bodies establishing statutory frameworks, environmental regulations, and corporate compliance standards.

Stakeholder Engagement Matrix

Stakeholder Group	Strategic Priorities & Concerns	Engagement Channels	Group Strategy & Value Optimization
Employees	Hospitality: Career advancement, competitive compensation, personal well-being, occupational safety. Plantations: Equitable wages, technical skill building, quality housing, improved working standards. Energy: Advanced technology upskilling, strict safety protocols.	Group-Wide: Structured performance reviews, community centers, internal communications, employee satisfaction assessments, formal grievance resolution channels.	Group-Wide: Targeted talent investment, market-competitive remuneration, holistic employee welfare initiatives, rigorous safety systems.
Guests & Customers	Hospitality: High service execution, guest safety, value optimization, unique cultural experiences, verified eco-friendly practices.	Hospitality: Direct guest interaction, online reviews, social media engagement, satisfaction surveys, loyalty rewards programs.	Hospitality: Delivery of premium guest experiences, local organic sourcing, certified sustainable operations, open customer communication.
Suppliers & Value Chain Partners	Group-Wide: Fair procurement procedures, prompt payment cycles, long-term commercial relationships, high ethical compliance.	Group-Wide: Formal vendor meetings, structured supply contracts, site audits, collaborative supply-chain initiatives.	Group-Wide: Equitable commercial partnerships, reliable payment terms, long-term contracting, support for local enterprise, ESG supply screening.
Local Communities	Hospitality: Regional employment generation, localized economic growth, heritage preservation. Plantations: Local infrastructure enhancement, targeted social investment, health & educational support. Energy: Sustainable land usage, minimal ecological footprint, regional infrastructure upgrades.	Group-Wide: Town hall community meetings, direct stakeholder dialogue, welfare committees, targeted CSR initiatives.	Group-Wide: Priority local hiring, community infrastructure investments, livelihood enhancement programs, environmental conservation initiatives.
Government & Regulators	Group-Wide: Statutory and legal compliance, administrative transparency, fair trade and business ethics.	Group-Wide: Formal regulatory filings, scheduled consultative meetings, public disclosures, compliance reporting.	Group-Wide: Complete regulatory adherence, timely and transparent reporting, active engagement in industry policy development.
Shareholders & Investors	Group-Wide: Sustainable revenue growth, corporate transparency, disciplined financial return, robust long-term vision.	Group-Wide: Annual General Meetings (AGMs), quarterly financial disclosures, investor relations briefings, corporate web portals.	Group-Wide: Delivery of shareholder value, transparent financial reporting, proactive risk management and strategic execution.

OPERATING ENVIRONMENT



Global and Local Economic Environment

The global economy in 2025 continued to recover gradually following the disruptions caused by rising inflation, international conflicts, supply chain disruptions, and fluctuating energy prices experienced during previous years. Many developed economies focused on stabilizing inflation and improving investor confidence through policy reforms and sustainable economic strategies. Emerging economies, particularly within Asia, experienced mixed economic performance, while sectors such as tourism, exports, technology, and renewable energy played a major role in supporting growth. Global markets, however, remained cautious due to ongoing international conflicts, uncertainty in commodity prices, and slower growth in some advanced economies. This caution intensified toward the end of the reporting period, when an escalation of conflict in the Middle East pushed global oil prices above USD 100 a barrel and disrupted shipping through the Strait of Hormuz and the Red Sea, reintroducing inflationary pressure across many imports dependent economies.

Within this global backdrop, Sri Lanka showed signs of gradual economic stabilization during 2025 following the severe economic crisis faced in recent years. Improvements in foreign exchange reserves, easing inflation, stronger remittance inflows, tourism recovery, and economic reforms contributed positively to overall economic conditions. The Sri Lankan Rupee demonstrated greater stability compared to previous years, while business confidence slowly improved across several sectors. The Government continued implementing financial and structural reforms aimed at strengthening revenue collection, improving government sector productivity, attracting foreign investment, and supporting export-oriented industries.

This gradual recovery was tested by two significant developments during the financial year. On 28th November 2025, Cyclone Ditwah made landfall on Sri Lanka's eastern coast, triggering the country's worst flooding disaster in two decades. The storm affected all 25 districts, inundated close to a fifth of the country's total land area, damaged more than 100,000 homes, and left an estimated 2.3 million people affected. A World Bank post-disaster damage assessment placed the total physical damage at approximately USD 4.1 billion, equivalent to around 4 percent of GDP. Separately, during the early months of 2026, an escalation of conflict in the Middle East disrupted global energy markets and shipping routes.

As a country that imports the majority of its fuel and depends on Middle Eastern markets for a significant share of its tea exports and remittance inflows, Sri Lanka felt the effects through higher fuel prices, rationing measures, and renewed pressure on its trade balance. The effects of both events on individual sectors are discussed in greater detail in the sections that follow.

Opportunities and Challenges

Several positive developments supported Sri Lanka's recovery during the year. Tourism and export sectors generated improved foreign exchange earnings, while infrastructure development, digital transformation initiatives, and renewable energy investments contributed toward long term economic competitiveness. International financial support and debt restructuring discussions also improved investor confidence and strengthened economic recovery efforts.

Despite these improvements, the country continued to experience several challenges. Many households and businesses remained affected by the high cost of living, increased utility charges, and taxation pressures. Sri Lanka also continued facing debt related constraints, financial restrictions, and dependence on external sectors such as tourism, imports, and remittances. Political uncertainty and external economic fluctuations continued influencing business planning and investment decisions. The operating environment was further complicated during the year by the humanitarian and reconstruction demands that followed Cyclone Ditwah, and by renewed volatility in fuel prices and shipping costs arising from the escalation of the Middle East conflict. Nevertheless, the overall outlook for Sri Lanka in 2025 reflected cautious optimism, with continued reforms and sectoral recovery expected to support gradual economic growth.

OPERATING ENVIRONMENT (Cont.)

Plantation Sector

Global and Sri Lankan Plantation Industry

The global plantation industry continued to play a vital role in agricultural exports, maintaining a stable food supply, and generating employment opportunities during 2025. Demand for tea, rubber, coconut products, spices, and sustainable agricultural commodities remained relatively strong across international markets. Consumers increasingly preferred environmentally sustainable products, encouraging plantation companies worldwide to adopt greener and more sustainable cultivation practices. However, climate change, rising fertilizer costs, labor shortages, and volatile commodity prices continued affecting productivity and profitability across the sector, pressures that intensified later in the year as the conflict in the Middle East pushed global freight and input costs higher.

In Sri Lanka, the plantation sector remained one of the country's traditional export pillars and continued contributing significantly to foreign exchange earnings and rural employment. Tea remained the largest plantation export commodity, while rubber, coconut, cinnamon, and other agricultural exports also contributed to the sector's performance. Sri Lankan tea continued to maintain a strong reputation in international markets due to its quality and brand recognition. Greater attention was also given to value-added agricultural exports and environmentally sustainable farming initiatives during the year.

Performance and Key Challenges

The plantation sector recorded several positive developments during 2025. Demand for premium Ceylon Tea and plantation products improved in a number of export markets, while sustainable agriculture practices and environmentally friendly operations gained greater attention among plantation companies. The industry also continued supporting foreign exchange inflows during a period of national economic repossession. Product diversification into organic products, specialty teas, and coconut based exports further created new business opportunities.

However, the plantation sector continued facing multiple challenges, which were compounded late in the year by two significant disruptions. Cyclone Ditwah struck the central highlands in late November 2025, bringing flooding and landslides to the Kandy, Nuwara Eliya, and Badulla districts, which form the core of the country's tea growing areas, damaging estate roads, processing factories, and worker housing, while separate flooding in Trincomalee and Batticaloa affected an estimated 58,000 hectares of paddy and other field crops. In the following months, the escalation of conflict in the Middle East disrupted one of the sector's most important export markets: with the region historically accounting for roughly half of Ceylon tea exports, several shipping lines suspended services through the Red Sea and the Strait of Hormuz, bringing tea shipments to the Middle East to a near standstill and adding sharply higher freight and insurance costs for exporters. Unpredictable weather patterns and climate related disruptions more broadly continued to affect agricultural output, while rising operational costs, including fertilizer prices, fuel expenses, wages, and utility charges, placed further pressure on profitability. Labor shortages also remained a major concern due to migration trends, an aging workforce, and limited interest among younger generations in plantation related employment. In addition, Sri Lanka faced increasing competition from other plantation exporting countries with lower production costs and larger scale production capabilities.

Future Outlook

Despite these limitations, the plantation sector is expected to remain an important contributor to Sri Lanka's export economy. Rebuilding storm damaged estate infrastructure and restoring shipping routes to Middle Eastern markets will be near term priorities, while future growth over the longer term will depend on improving productivity, investing in mechanization, enhancing worker welfare, strengthening climate resilience, and expanding premium exports into diversified international markets.

OPERATING ENVIRONMENT (Cont.)

Tourism Sector

Global and Sri Lankan Tourism Industry

The global tourism industry continued its strong recovery in 2025 following the disruptions experienced during previous years. Increased international travel demand, improved airline connectivity, and greater consumer confidence contributed to higher tourism activity across many regions. Countries increasingly focused on eco-tourism, cultural tourism, and sustainable travel experiences to attract visitors. Nevertheless, global tourism still faced several challenges due to international conflicts, higher living costs, environmental concerns, and fluctuating fuel prices, with the escalation of conflict in the Middle East later in the period adding further caution among long haul travellers.

Sri Lanka's tourism industry demonstrated significant recovery growth during 2025, supported by improved economic stability, promotional campaigns, and increasing international travel demand. The country continued attracting tourists through its natural attractions, cultural heritage, beaches, wildlife, and hospitality sector. Tourism contributed positively to foreign exchange earnings, employment opportunities, hotel occupancy rates, and several supporting industries such as transportation, food and beverage, entertainment, and retail.

Tourist Arrival Performance and Sector Growth

According to the Monthly Tourist Arrivals Reports, Sri Lanka recorded a notable improvement in tourist arrivals during the 2025/2026 reporting period compared to the 2024/2025 period. Tourist arrivals from April 2024 to March 2025 totaled 2,139,957, while the total for the April 2025 to March 2026 period increased to 2,380,879. This reflects an increase of approximately 240,922 tourist arrivals. The increase in arrivals indicates growing international confidence in Sri Lanka as a travel destination, and was achieved despite the disruption caused by Cyclone Ditwah in the closing months of 2025.

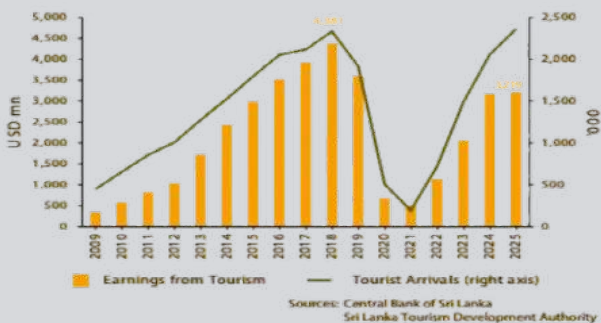
Several factors contributed to this positive performance, including improved airline operations, enhanced promotional campaigns, stronger global connectivity, and greater confidence among international travelers. Increased tourism activity also supported higher hotel occupancy levels and improved revenue generation within the hospitality industry. Sri Lanka further benefited from growing interest in eco tourism, wellness tourism, and cultural experiences.

Challenges and Future Outlook

Although the tourism industry showed continued recovery during the year, several challenges remained. Global economic uncertainty and rising living costs in major tourist source markets affected travel demand and consumer spending patterns. The industry also remained highly dependent on seasonal travel patterns and external economic conditions. Certain tourism regions in Sri Lanka continued experiencing infrastructure limitations related to transportation, waste management, and public facilities, limitations that were highlighted further when Cyclone Ditwah damaged roads, utilities, and, in some locations, hospitality properties across several hill country and coastal districts in late November 2025. While the disruption to travel and hotel operations was concentrated in the weeks immediately following the storm, it added short term pressure to an industry still rebuilding its reputation for reliability. Toward the close of the fiscal year, the escalation of conflict in the Middle East introduced further uncertainty, as rising fuel prices increased airline operating costs and heightened traveller caution around the wider region, even though Sri Lanka itself remained outside the conflict zone. Additionally, environmental sustainability and preservation of natural and cultural resources remained important long term concerns.

Overall, Sri Lanka's tourism industry is expected to continue its upward recovery trajectory with continued international promotions, infrastructure improvements, and sustainable tourism development initiatives. Maintaining political stability, service quality, and investment in tourism infrastructure, alongside continued disaster preparedness following the lessons of Cyclone Ditwah, will remain essential for sustaining long term sector growth.

Earnings from Tourism and Tourist Arrivals



OPERATING ENVIRONMENT (Cont.)

Energy Sector

Global and Sri Lankan Energy Industry

The global energy sector in 2025 continued transitioning toward renewable and sustainable energy solutions as countries increased investments in solar, wind, hydro, and other clean energy sources. Governments and businesses worldwide focused on reducing dependence on traditional energy sources, improving energy security, and addressing climate change concerns. However, global oil and gas prices remained volatile due to international conflicts, supply chain disruptions, and energy policy changes, a volatility that intensified sharply in early 2026 as escalating conflict in the Middle East pushed Brent crude above USD 100 a barrel for the first time in over eighteen months. Technological developments in energy storage systems, electric mobility, and smart grid technologies further accelerated the global transition toward sustainable energy.

Sri Lanka's energy sector remained a critical component of national economic recovery and industrial development during 2025. The country continued focusing on improving energy security, expanding renewable energy generation, and reducing dependence on imported fuel. Hydropower, thermal power, solar energy, and wind energy continued contributing to the national electricity supply, while renewable energy investments gained increased attention due to growing sustainability expectations and rising domestic demand.

Sector Performance and Challenges

Several positive developments were observed within the sector during the year. Investments in solar and wind energy projects increased steadily, supporting cleaner and more sustainable electricity generation. Effective energy management and operational planning contributed to greater stability in electricity supply while minimizing power interruptions. The Government also encouraged private sector participation in renewable energy projects, supporting infrastructure development and long term sustainability goals.

Despite these developments, the sector continued facing several challenges, which intensified during the second half of the financial year. The escalation of conflict in the Middle East disrupted shipping through the Strait of Hormuz and the Red Sea and pushed global oil prices sharply higher, feeding directly

into higher electricity generation costs under the country's cost reflective pricing formula and prompting the introduction of fuel rationing measures to manage consumption. Separately,

Cyclone Ditwah's intense rainfall and widespread landslides in late November 2025 damaged transmission infrastructure and access roads in several hydropower catchment areas, causing localised supply disruptions even as the associated rainfall temporarily raised reservoir levels in parts of the network. More broadly, Sri Lanka remained heavily dependent on imported traditional energy sources, exposing the economy to fluctuations in global fuel prices and increased demand for foreign currency. Financial restrictions within the sector affected long term investment opportunities, while aging infrastructure and transmission losses continued impacting operational efficiency.

Future Outlook

Looking ahead, Sri Lanka's energy sector is expected to continue expanding its focus on renewable energy and improving energy reliability. Future growth will depend on consistent government policies, infrastructure development, increased private sector investment, and long term sustainable energy planning. Strengthening renewable energy opportunities, hardening infrastructure against extreme weather events, and improving operational efficiency will remain important priorities for supporting both economic development and environmental sustainability.



Hunas Sector Review

Leisure Sector

The Group's leisure portfolio comprises four properties: Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel and Aigburth Villa. Each property occupies a distinct position within Sri Lanka's tourism sector, ranging from a hill-country flagship to smaller rainforest edge and boutique accommodation. FY 2025/26 was defined by the consolidation of commercial functions across the portfolio and by a broadly favourable, though at times disrupted, operating environment for Sri Lankan tourism.

Operating Context

Sri Lanka's tourism industry recorded 2.36 million arrivals in the 2025 calendar year, a 15% increase over the prior year and the highest annual total on record. Tourism earnings for the year were approximately USD 3.2 billion, making tourism the country's second largest source of foreign exchange. The Government has set a target of at least three million arrivals for 2026. Cyclone Ditwah, which struck in late November 2025, disrupted operations across the hill country and the south during the period, affecting several properties in the Group's portfolio.

Portfolio Overview

Hunas Falls Hotel remains the flagship property of the leisure portfolio and the primary focus of the Group's long term hospitality strategy. Located in Sri Lanka's hill country, it is the property identified for eventual repositioning as a luxury destination targeting international travellers. Boulder Gardens and Rainforest Edge Hotel are positioned around their proximity to the natural landscape, offering guests accommodation closer to nature than the flagship property, and are being aligned with the broader tourism recovery rather than competing directly with Hunas Falls Hotel for the same guest sector. Aigburth Villa, previously known as Aigburth Bungalow, completes the portfolio as a smaller scale, more intimate property. The four properties were previously managed and marketed independently; during FY 2025/26, this changed.

Collectively, the four properties span a range of price points and guest experiences, from the flagship hill country hotel to smaller boutique and nature oriented accommodation. This spread is intended to allow the Group to address a broader segment of the tourism market than any single property could on its own, particularly as national arrivals figures increase. Foundational work at Boulder Gardens, Rainforest Edge Hotel and Aigburth Villa, begun in FY 2024/25 to prepare each prop-

erty for future elevation, continued during the period under review, alongside uninterrupted day to day operations across the portfolio.

Hunas Falls Hotel Repositioning



In FY 2024/25, the Group announced a planned refurbishment and repositioning of Hunas Falls Hotel in partnership with hotelier Adriaan Zecha, intended to reposition the property as a luxury destination for international travellers. During FY 2025/26, the Group did not proceed with a full scale renovation. Instead, it advanced a smaller initiative, the Hunas Villas project, as an initial phase. This approach allowed management to reassess Hunas Falls Hotel and the other three properties against current market conditions before committing further capital to the larger renovation.

Consolidation of Commercial Functions

The principal operational initiative of the year was the establishment of three group level commercial functions: a central Sales division, a Digital Marketing division, and a Central Reservations function. These functions now serve all four properties under Hunas Holdings PLC, replacing the previous structure in which each property maintained separate sales, marketing and reservations arrangements.

The consolidation is intended to produce three outcomes. First, economies of scale in sales and marketing spend, since a single team now serves four properties rather than four smaller, separately resourced teams. Second, a more consistent guest experience across the portfolio, including the ability to redirect demand between properties when one is at capacity. Third, incremental revenue through coordinated pricing, promotion and distribution across the group rather than through four in-

dependent efforts. Specialists and recognised industry professionals were appointed to lead the new functions during the year.

An enterprise resource planning (ERP) system, targeted for implementation by the end of 2025 and first announced in the prior financial year, supports this consolidation by standardising operations and reporting across the four properties. This system underpins the central reservations and sales functions by providing a common operational platform.

Sustainability Initiatives

Sustainability measures implemented in prior financial years remained in place across the portfolio during FY 2025/26. These include the reduction of single use plastics through the introduction of reusable glass bottles in guest rooms and the elimination of plastic straws; the installation of LED lighting and other energy saving measures at select properties; expanded waste management programmes incorporating composting and recycling systems tailored to each property's operational footprint; and organic farming initiatives on available hotel land, supporting a degree of self sufficiency in food sourcing. Procurement policies continue to favour locally produced and eco friendly materials. Staff training programmes addressing sustainability awareness, energy conservation and environmental stewardship, alongside wellness initiatives covering mental health, physical wellbeing and work life balance, remain part of the sector's human resources framework.

Risk Considerations

The leisure sector's principal risk exposures, as identified in the Group's risk management framework, include health and safety risk relating to guests and staff, supply chain risk relating to hotel refurbishment materials, compliance risk relating to tourism, labour and environmental regulation, and environmental risk relating to adverse weather events. The disruption caused by Cyclone Ditwah during the year is a direct example of the environmental risk category identified in the framework. Mitigation measures applied across the sector include strengthened health, safety and environment protocols, periodic safety audits, diversification of suppliers, and continued monitoring of regulatory developments affecting tourism operations.

Function Detail

The central Sales division is responsible for corporate accounts, tour operator relationships, and event bookings across all four properties, replacing arrangements in which

each property negotiated and managed these relationships separately. The Digital Marketing division manages the Group's online presence, including website, social media and online travel agency listings, for the leisure portfolio as a whole, allowing marketing spend to be allocated across properties based on demand and return rather than divided evenly regardless of performance. The Central Reservations function provides a single point of contact for guest bookings across the four properties, including the ability to redirect enquiries to an alternative property within the portfolio when a guest's preferred property or dates are unavailable.

Revenue Context

The leisure sector recorded 5% year on year revenue growth in FY 2024/25, a result attributed at the time to ongoing refurbishment work at several properties limiting available capacity. That refurbishment work was intended to prepare the portfolio for the tourism recovery that materialised more fully during the 2025 calendar year, when national arrivals reached a record 2.36 million. FY 2025/26 revenue performance reflects the combined effects of this recovery, the commercial restructuring described above, and the disruption caused by Cyclone Ditwah.

Human Capital and Operational Initiatives

The Group continued to address a shortage of skilled hospitality professionals in the Sri Lankan labour market. An AI assisted feedback and training tool, piloted in FY 2024/25, was scheduled for wider rollout and continues to be developed as part of the Group's quality assurance and training framework. Local recruitment from communities surrounding the Group's properties remains part of the sector's human resources approach.



Guest and Market Segments

The leisure sector's guest base includes local and international tourists, business travellers, and event clientele. International arrivals form an increasing proportion of this base as Sri Lanka's tourism recovery continues, supported by growing global appeal and increased international connectivity. Corporate clients, tour operators, travel agents and online travel agencies represent the sector's principal business to business channel partners, and are the primary audience for the newly consolidated central Sales division.

Impact of Cyclone Ditwah

Cyclone Ditwah caused short term disruption to demand across the hill country during the peak season period. Affected properties implemented recovery measures following the event, and the Group reports that booking momentum was restored within the remainder of the financial year. The disruption is not expected to materially alter the sector's medium term outlook.

The Group continued a company wide initiative, first introduced in FY 2024/25, to recruit staff locally from communities surrounding its properties. Management regards this as a significant, if not always visible, contribution to the communities in which the leisure sector operates, alongside the more commercially oriented initiatives described above.

Future Outlook

The consolidated sales, marketing and reservations platform positions the leisure sector to compete for a larger share of Sri Lanka's tourism market as national arrivals are targeted to reach three million in 2026. The Hunas Villas project provides a basis for further evaluation of the larger scale Hunas Falls Hotel renovation in future periods, without requiring the Group to commit the full capital expenditure associated with that renovation ahead of confirmed market conditions.

Completion of the ERP implementation, targeted for the end of 2026, is expected to further support the consolidated commercial functions by providing standardised reporting across the portfolio. The Group's Sustainability division, established during the year, is expected to play an increasing role in the sector's guest proposition, particularly given the proximity of several properties to the Sinharaja Rainforest and the Knuckles Mountain range. Management expects the combination of national tourism growth, the new commercial structure, and continued investment in staff training and sustainability practices to support the sector's performance in FY 2026/27.



Hunas Sector Review

Power Sector



The Group operates four mini hydropower plants located in the Sabaragamuwa and Central Provinces: Kurganga Hydro, Weswin Power Gahala, Eratne Power and Galabodawatta. These regions offer strong hydroelectric potential and the plants play a role in supporting Sri Lanka's renewable energy targets. FY 2025/26 generation performance showed a modest overall decline compared to the previous year, driven primarily by an extended plant outage following storm damage.

Prior Year Context

In FY 2024/25, the Group commissioned its largest hydropower plant to date, which contributed to a 16.432% year on year increase in power sector revenue. The power sector's contribution to total Group revenue increased from a negligible base to approximately 32%, and its contribution to Group gross profit reached approximately 91%. This growth reflected the addition of new generation capacity rather than a sustainable ongoing growth rate, and FY 2025/26 performance should be assessed against this base.

Plant Portfolio

Kurganga Hydro is the most established plant in the Group's portfolio and has a longer operating history than the other three assets. Eratne Power is a smaller plant whose output has shown sensitivity to rainfall variation in its catchment area over the past two financial years. Galabodawatta is the most recently commissioned plant in the portfolio, having completed its first full year of operation in FY 2024/25 with a plant factor of 34%. Weswin Power Gahala is located in an

area affected by landslide risk, as demonstrated by the event that took the plant offline during the year under review.

Generation Performance

Total energy generation across the four plants was 17.27 GWh in FY 2025/26, compared to 17.85 GWh in FY 2024/25, a decrease of 3.2%. Performance varied significantly by plant, as set out below.

Plant Level Performance

Kurganga Hydro recorded a 7.4% decline in generation, consistent with ordinary year on year rainfall variation. Eratne Power recorded a 12.5% decline, following an 11.3% decline in the prior year attributed to below average rainfall in its catchment area; the plant has now recorded two consecutive years of decline linked to rainfall conditions. Galabodawatta recorded a 5.9% increase in generation, continuing positive performance from the prior year, when the plant achieved a 34% plant factor in its first full year of operation. Weswin Power Gahala recorded the largest decline, at 29.4%, attributable to an extended operational outage described below.

Weswin Power Gahala Outage

Weswin Power Gahala has been non operational since the end of November 2025, following a landslide triggered by Cyclone Ditwah. As at the date of reporting, rehabilitation of the plant had not been completed and the plant remained down. The outage accounts for the majority of the sector's overall generation decline for the year, since the plant was unable to generate for approximately four months of the financial year.

Landslide risk is identified as a material environmental risk in the Group's risk management framework, alongside adverse weather and flooding, given the hill country location of the Group's hydropower assets. The Group's approach to mitigating this risk includes geographic diversification of its plant portfolio and ongoing assessment of catchment area conditions.

Revenue Implications

Generation volume and revenue are not necessarily proportional, as tariff structures and individual power purchase agreements vary by plant. Given the power sector's outsized

contribution to Group gross profit in FY 2024/25, the financial effect of this year's generation shortfall, concentrated in the extended Weswin Power Gahala outage, is expected to be a material factor in the sector's FY 2025/26 financial results.

Operational Capability

The Hunas Power Sector is managed by a team of hydropower engineers with technical training and industry experience. This team is responsible for day to day plant operation, routine maintenance, and response to operational disruptions such as the Weswin Power Gahala landslide. Maintenance activity across the three unaffected plants continued without interruption during the year, in line with the Group's standard maintenance schedules, infrastructure upgrades, and use of standby equipment where applicable.

Renewable Energy Strategy

The Group's stated strategy is to expand its renewable energy footprint across hydro, solar and wind generation. Several strategic hydro, solar and wind opportunities were identified in FY 2024/25 as part of this strategy. Diversifying beyond hydropower, and beyond the Group's existing river systems, would reduce the sector's exposure to single-site disruptions of the kind experienced at Weswin Power Gahala during the year, and would align with Sri Lanka's broader national energy development objectives.

National Energy Context

Sri Lanka continues to pursue an energy mix with an increasing share of renewable generation. Mini hydropower is an established and well understood technology within this mix, alongside a growing number of solar and wind projects entering the market. Hydropower assets of the type operated by the Group are geographically fixed and therefore exposed to local rainfall and geological conditions, which is a structural consideration in the Group's diversification strategy.

Compliance and Regulatory Environment

The power sector operates under Sri Lanka's electricity generation and environmental regulatory framework, including grid connection agreements and power purchase agreements with the relevant national utility counterparties. The sector is subject to the Group's ongoing legal and compliance audits and regulatory monitoring, consistent with the compliance risk category identified in the Group's risk management framework.

Governance and Risk Oversight

Risk oversight for the power sector, including operational, financial and environmental risk, is provided by the Board of Directors and the Audit Committee, with implementation responsibility delegated to the Executive Management Team. The Group's risk register identifies equipment failure, infrastructure limitations in remote plant locations, and adverse weather events including landslides and flooding as key operational and environmental risks for the sector. Mitigation measures include routine maintenance schedules, infrastructure upgrades, investment in automation, and the use of standby equipment.

National Grid Contribution

The Group's four mini hydro plants contribute generation to Sri Lanka's national grid, supporting the country's clean energy supply. The Sabaragamuwa and Central Provinces, where the plants are located, are recognised for their hydroelectric potential and host a number of similar renewable energy assets operated by other developers, reflecting the broader importance of the region to Sri Lanka's renewable energy sector.

Weather Dependency

Generation output at each plant is directly influenced by rainfall levels within its catchment area. This means year on year performance can vary meaningfully due to factors outside management's control, independent of the technical condition of the plant or the competence of its operating team. This dependency is reflected in the historical performance of individual plants: Eratne Power's decline in both FY 2024/25 and FY 2025/26 has been attributed to below average rainfall, while Galabodawatta improved performance in both years reflects more favourable local conditions.

Local Employment and Community Considerations

Consistent with the Group's broader approach to community relations, the power sector continued to prioritise employment from communities located near its plant sites during the year, including the catchment area surrounding Weswin Power Gahala. This approach is consistent with the Group's stated position that local employment represents one of the most meaningful and sustainable forms of community contribution available to its operations.

Maintenance and Infrastructure Investment

Maintenance activity across the three plants that remained operational throughout the year continued in line with the Group's standard maintenance schedules. This includes routine inspection, preventive maintenance, and infrastructure upgrades where required. Investment in automation and standby equipment forms part of the Group's approach to reducing the operational impact of unplanned outages, of the kind experienced at Weswin Power Gahala during the year.

In FY 2025/26, mini hydro power revenue increased from LKR 423,534,341 to LKR 441,878,750. This increase drove a shift in the Group's overall revenue composition. Gross profit from the power sector rose from LKR 350,914,949 to LKR 362,234,709 over the same period. FY 2025/26 generation figures, set out above, form the operational basis for this year's financial results, which will reflect both the loss of output at Weswin Power Gahala and the performance of the three unaffected plants.

Safety and Operational Standards

Health and safety risk relating to workers at plantation, hydro and leisure sector sites is identified in the Group's risk management framework, with strengthened health, safety and environment protocols, safety training programmes, and periodic audits applied across the power sector's operations. These standards apply to routine plant operation and maintenance activity as well as to incident response, including the response to the Weswin Power Gahala landslide during the year.

Environmental Compliance and ESG Alignment

The Group's risk management framework identifies sustainability risk, including the risk of failing to align operations with ESG standards, as a relevant category for the power sector. Mitigation measures identified in the framework include ESG reporting, pursuit of sustainable certifications, and integration of green initiatives such as biodiversity preservation and community outreach across Group operations, including the power sector. The establishment of the Group's Sustainability division during the year is expected to support more structured environmental compliance and reporting across the power sector going forward.

Future Outlook

Restoration of Weswin Power Gahala to full operation is the Group's immediate priority for the power sector, and is expected to restore a significant share of the generation capacity lost

during FY 2025/26. Beyond restoration of the affected plant, the Group's medium term priorities are to progress its identified pipeline of hydro, solar and wind projects and to continue optimising performance across its existing plant portfolio.

Management expects the power sector to remain a significant contributor to Group profitability in FY 2026/27, subject to the timing of the Weswin Power Gahala rehabilitation and prevailing rainfall conditions across the portfolio's catchment areas.

Hunas Sector Review

Plantation Sector

The Group’s plantation operations are conducted through Suriyakanda Plantations (Pvt) Ltd and its processing arm, the Aigburth Tea Factory, located on a 2,148 acre estate positioned between the Hambantota dry zone and the Sinharaja Rainforest. FY 2025/26 was characterised by continued development of the Group’s retail tea brand, Aigburth Ceylon, alongside ongoing bulk auction sales and a white label manufacturing programme established in the prior year.

Estate and Factory Structure

Plantation operations comprise two components: the estate, which manages tea cultivation across 2,148 acres of mid country land, and the factory, which processes harvested leaf into finished tea grades. The estate’s location, between the dry winds of Hambantota and the misty conditions of the Sinharaja Rainforest, contributes to a distinctive terroir recognised in international markets. Both components are managed under Suriyakanda Plantations (Pvt) Ltd and the Aigburth Tea Factory respectively.

FY 2024/25 Context

In FY 2024/25, the plantation sector recorded revenue of LKR 784.6 million, a 16% increase year on year, while recording a negative contribution to Group gross profit of 14%. Performance during that year was affected by industry wide challenges including limited access to agricultural inputs and an ageing labour force. Management responded with a turnaround strategy comprising improved agronomic practices, modernised estate management, and the recruitment of experienced tea sector professionals. The Group also divested its shareholding in Rainforest Tea Factory (Pvt) Ltd during FY 2024/25, a decision intended to reduce the negative impact of a loss making investment on overall Group profitability.



Strategic Direction in FY 2025/26

The strategic measures introduced in FY 2024/25 continued to shape sector performance during FY 2025/26. Management has stated that this sharper operational focus is expected to moderate plantation revenue growth in the near term, in exchange for a higher-margin revenue base concentrated on the Group’s best performing assets. This represents a deliberate shift away from competing primarily on bulk tea volume.

Aigburth Ceylon Retail Brand

The principal development of FY 2025/26 was the growth of Aigburth Ceylon, the Group’s retail tea brand. The brand is built on tea manufactured using traditional processing methods and is positioned toward market segments seeking quality and provenance. The product range expanded during the year, with four lines identified as the brand’s top sellers: BOP Specials, FBOPF Specials, Silver Tips and Golden Tips. The Aigburth name, previously associated primarily with bulk tea brokering, has gained increased recognition within Ceylon tea buying circles during the period.

Tea Grade Classifications

BOP (Broken Orange Pekoe) and FBOPF (Flowery Broken Orange Pekoe Fannings) are established leaf grades associated with strong colour and flavour characteristics. Silver Tips and Golden Tips are higher grade classifications consisting of young leaf buds, processed with minimal handling and produced in smaller quantities than standard grades, and typically command higher prices accordingly. The inclusion of both standard and premium grade classifications within the Aigburth Ceylon range reflects the brand’s positioning across multiple price points within the premium segment.

Distribution Channels

The plantation sector operates through three distribution channels. The first is bulk sale through the Colombo tea auction, the Group’s traditional sales channel. The second is a white label packaging programme, launched in FY 2024/25 for a reputable international tea brand, under which the Group manufactures tea for sale under a third party brand. The third is the Aigburth Ceylon retail line, sold directly under the Group’s own brand. Specialists and industry professionals were recruited to the plantation sector during the year to support agronomy and route to market activities across all three channels.

White Label Programme

The white label packaging programme, launched in FY 2024/25 for a reputable international tea brand, continued during FY 2025/26. Under this arrangement, the Group manufactures and packages tea for sale under the partner brand rather than the Group's own name. This channel provides a contract manufacturing revenue stream that is distinct from both bulk auction sales and the Group's own Aigburth Ceylon retail line, and utilises processing capacity at the Aigburth Tea Factory.

The plantation sector, in common with the broader Sri Lankan tea industry, continues to face an ageing labour force and constraints on access to agricultural inputs. The Group's response includes continued local recruitment from communities surrounding the estate, combined with modernised estate management practices introduced since FY 2024/25. Management considers local recruitment to be a significant, if not readily quantifiable, contribution to the communities surrounding the estate.

Market Conditions

National tea output for the 2025 calendar year recovered to approximately 280 million kilograms. Global tea supply remained tight during the period, and demand, particularly from Middle Eastern markets, remained firm, supporting auction prices for quality Ceylon tea. These conditions are favourable to producers positioned at the premium, single-origin end of the market, as distinct from producers competing primarily on bulk volume.

Quality Certification

Tea produced by the estate has previously received international recognition and quality certification, supporting the premium positioning of the Aigburth brand among high end buyers. Maintaining this recognition is relevant to the retail brand strategy, since consumer facing claims of quality and provenance require independent substantiation to be credible in export and premium domestic markets.

Environmental Risk

The Group's risk management framework identifies adverse weather conditions, landslides and flooding as material environmental risks affecting plantation operations, given the estate's hill country location. Mitigation measures identified in the framework include climate resilient agricultural practices, early warning systems, and operational diversification across different geographic regions. This risk category is directly relevant to the plantation sector given its proximity to the Sinhara-

ja Rainforest and the broader hill country terrain in which the estate is located.

Estate Modernisation

Estate management modernisation, introduced as part of the FY 2024/25 turnaround strategy, continued during FY 2025/26. This includes improved agronomic practices intended to increase yield and leaf quality, and updated estate management techniques aimed at addressing operational constraints associated with an ageing workforce and limited access to agricultural inputs. These measures are intended to support both the volume and quality of leaf available to the Aigburth Tea Factory for processing across all three distribution channels.

The plantation sector's FY 2024/25 gross profit was negative LKR 53.6 million, compared to negative LKR 51.6 million in FY 2023/24, representing a negative 14% contribution to total Group gross profit despite the 16% revenue increase recorded that year. The negative correlation between revenue drop and gross profitability increase in 2025/26 mainly due divestment decision taken in FY 2024/25. FY 2025/26 financial results will indicate the extent to which the sector's strategic repositioning has translated into improved profitability.

Governance and Risk Oversight

Risk oversight for the plantation sector is provided by the Board of Directors and the Audit Committee, with implementation delegated to the Executive Management Team, consistent with the Group's broader risk management framework. Operational risks specific to the sector include supply chain risk relating to the procurement of agricultural inputs, people risk relating to the recruitment and retention of skilled personnel in remote estate locations, and health and safety risk relating to estate and factory workers.



Mitigation measures include competitive compensation, talent development programmes, diversified supplier relationships, and strengthened health, safety and environment protocols.

Sustainability and Biodiversity

The estate's location on the edge of the Sinharaja Rainforest places the plantation sector in close proximity to an environmentally significant area, and biodiversity considerations form part of the Group's broader sustainability agenda. The Group's Sustainability division, formally established during FY 2025/26, has a mandate covering biodiversity measurement, record keeping and conservation action across Group properties, including the plantation estate. This is expected to result in more structured environmental monitoring and reporting for the sector in future periods.

Competitive Positioning

The plantation sector's strategy positions it away from direct competition with high volume bulk tea producers, and toward competition based on quality, provenance and brand recognition. This positioning is consistent with market conditions during the year, in which tight global supply and firm demand supported premium pricing for quality Ceylon tea, but represents a longer term strategic choice rather than a response to short term market conditions alone. The development of three distinct distribution channels; bulk auction, white label manufacturing, and Aigburth Ceylon retail supports this positioning by allowing the sector to serve multiple customer segments simultaneously.

Regulatory Environment

Plantation operations are subject to Sri Lanka's agricultural, labour and environmental regulatory framework, including regulations specific to tea cultivation and processing. The Group maintains ongoing legal and compliance audits and regulatory monitoring relevant to the sector, consistent with the compliance risk category identified in its risk management framework.

Export Market Development

Export markets remain a significant destination for the Group's tea production, both through bulk auction sales that are subsequently exported by buyers and through direct export activity associated with the white label programme and, on a smaller scale, the Aigburth Ceylon retail line. Middle Eastern demand was identified as a particularly firm source of export demand during the year, consistent with regional consumption patterns for Ceylon tea. Continued development of export facing sales, alongside the domestic retail presence of Aigburth Ceylon, forms part of the sector's broader route to market strategy.

Future Outlook

The plantation sector's performance in FY 2026/27 is expected to depend on three factors: continued firm demand at tea auctions, growth of the Aigburth Ceylon retail presence, and continued prioritisation of margin over volume in line with the Group's stated strategy. Management expects the restructuring undertaken since FY 2024/25, including the shift from a primarily bulk producer to a business with an established retail brand, to improve the quality of earnings generated by the sector's core assets.



STRATEGIC RISK ARCHITECTURE



At Hunas Holdings PLC, risk management is deeply integrated into every facet of strategic execution, portfolio allocation, and daily operations. As a diversified conglomerate operating across leisure & hospitality, renewable energy, agriculture & tea plantations, and shipping & logistics, the Group operates in a dynamic macroeconomic environment requiring a forward-looking risk management culture.

During the 2025/26 financial year, Hunas Holdings updated its Risk Management Framework to enhance organizational agility, operational resilience, and capital protection. By balancing risk mitigation with calculated strategic opportunities, the Group ensures long-term value creation across all business units.

Governance Tier	Primary Role & Responsibilities	Key Outputs / Mechanisms
Board of Directors	Sets overall risk appetite, strategic direction, and corporate governance oversight.	Annual Risk Review, Strategic Capital Allocation.
Audit Committee	Evaluates internal controls, financial compliance, and internal/external audit findings.	Quarterly Audit Reports, Compliance Monitoring.
Executive Management	Implements control measures, monitors live risk registers, and leads operational reviews.	Risk Register Updates, Contingency Execution.
Business Unit Leads	Identifies site-level operational risks and executes daily control protocols.	Routine Inspections, Early Warning Escalations.

Enterprise Risk Management Governance Structure

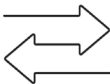
Risk oversight is led by the Board of Directors, supported by the Audit Committee, with execution delegated to Executive Management and Business Unit Heads.

- Board of Directors: Defines overarching risk tolerance, reviews high-impact enterprise risks, and aligns risk management with long-term capital allocation.
- Audit Committee: Evaluates internal control systems, oversees internal and external audit outcomes, and monitors compliance frameworks.
- Executive Management: Leads cross-functional risk assessments, maintains live Risk Registers, and implements mitigation measures.
- Business Unit Leads: Conduct continuous operational reviews, execute localized risk controls, and report emerging threats.

Management’s Approach to Risk

Protecting Value

Ensuring regulatory compliance, financial prudence, safety standards, and stakeholder trust & Minimizing potential disruptions to operations, reputation, or financial stability.



Creating Value

Taking calculated risks in pursuit of strategic opportunities and Encouraging innovation, digital integration, and sustainable growth initiatives with a forward-looking risk lens.

Risk Assessment Matrix (2025/26 Heat Map)

CATEGORY	RISK DESCRIPTION	RISK LEVEL	MITIGATION STRATEGIES
Financial Risk	Fluctuations in CBSL policy rates and global interest rates affecting borrowing costs, cash flows, and investment feasibility.	High	Conduct regular rate analyses, secure long-term fixed-rate debt where feasible, diversify funding sources, and monitor central bank monetary policy.
Strategic Risk	Inability to adapt to market trends or poor execution of operational and management milestones.	High	Hold structured operational reviews, enforce milestone-based project assessments, appoint expert advisors, and maintain contingency plans.
Economic Risk	Macroeconomic volatility, inflation, interest rate hikes, and currency depreciation.	High	Implement dynamic pricing strategies, use financial hedging mechanisms, execute cost controls, and run macroeconomic scenario models.
IT & Cyber Risk	Cybersecurity threats, ransomware attacks, and data breaches impacting customer data or business continuity.	Medium	Perform regular vulnerability assessments, deploy advanced tools, conduct staff awareness training, and update IT governance policies.
Environmental Risk	Extreme weather, floods, or landslides disrupting remote tea plantations and hydro power generation.	Medium	Deploy climate-resilient farming, set up early warning systems, and diversify operations across different geographic regions.
Regulatory Risk	Sudden shifts in government policies, taxation, or sector-specific tariffs.	Medium	Engage actively with industry bodies, conduct policy advocacy, and track regulatory developments continuously.
Compliance Risk	Non-compliance with local tourism, labor, taxation, or environmental regulations.	Medium	Conduct ongoing legal and compliance audits, provide staff regulatory training, and maintain a dedicated Compliance Officer.
Sustainability Risk	Failure to align operations with ESG standards, risking investor or customer confidence.	Medium	Execute structured ESG reporting, obtain green/sustainable certifications, and expand solar energy, biodiversity, and community initiatives.
Operational Risk	Equipment failure or poor infrastructure in remote plantation and mini-hydro sites impacting continuity.	Medium	Maintain routine preventative maintenance schedules, upgrade infrastructure, invest in automation, and deploy standby generators.
People Risk	Difficulty attracting and retaining skilled talent in remote facility locations or specialized roles.	Low	Provide competitive compensation, talent development programs, structured career progression, and flexible/remote-friendly policies.
Supply Chain Risk	Disruptions or delays in procuring equipment, spare parts, fertilizer, or refurbishment materials.	Low	Build multi-supplier relationships, maintain buffer inventory levels for critical inputs, and maximize local sourcing.
Health & Safety Risk	Workplace accidents or safety incidents affecting plantation workers, hydro technicians, or hotel guests.	Low	Enforce strengthened HSE protocols, run mandatory safety training programs, and perform periodic site safety audits.

CATEGORY	RISK DESCRIPTION	RISK LEVEL	MITIGATION STRATEGIES
Technology Obsolescence	Legacy IT infrastructure failing to support digital expansion or system integration requirements.	Low	Continuously upgrade core software, migrate to cloud-based architecture, and invest in technologies aligned with growth goals.
Legal Risk	Litigation exposures arising from land disputes, employee grievances, or contract breaches.	Low	Conduct thorough legal due diligence, establish clear contract terms, and utilize rapid dispute resolution mechanisms.

Year-on-Year Risk Heat Map Overview

Risk Severity Level	Risk Categories Included	Primary Strategic Objective
High Priority	Financial Risk, Strategic Risk, Economic Risk.	Capital preservation, debt restructuring, and dynamic revenue optimization.
Medium Priority	IT/Cyber, Environmental, Regulatory, Compliance, Sustainability, Operational.	Operational resilience, ESG certification, and system redundancy.
Low Priority	People, Supply Chain, Health & Safety, Technology Obsolescence, Legal.	Process optimization, talent retention, and routine legal/HSE enforcement.

Outlook & Forward Steering

For the upcoming financial periods, Hunas Holdings PLC will continue refining its enterprise risk management practices by integrating predictive analytics into climate and cash flow modeling. The Group remains committed to maintaining a resilient balance sheet, prioritizing sustainable practices, and proactively adapting to market dynamic shifts to safeguard capital and ensure sustainable stakeholder returns.



SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

1.0 BASIS OF PREPARATION

1.1 REPORTING PERIOD

The disclosures cover the financial year from 1 April 2025 to 31 March 2026, consistent with the Group's annual financial reporting period.

Unless otherwise stated, sustainability-related performance information presented in this disclosure relates to FY2025/26.

1.2 REPORTING BOUNDARY

The reporting boundary is aligned with the financial reporting boundary of Hunas Holdings PLC and encompasses the Group's diversified business interests across:

Leisure & Hospitality | Renewable Energy | Plantations & Tea | Real Estate | Logistics & Marine Services

Sustainability-related information is consolidated across Group operations where relevant and reliable data are available. Information relating to subsidiaries and associates is considered according to the Group's financial reporting boundary, the significance of the relevant sustainability-related risks and opportunities, and the availability of reliable information.

1.3 MATERIALITY

Hunas Holdings considers sustainability-related information material where the omission, misstatement or obscuring of such

1.6 VALUE CHAIN

In identifying and assessing sustainability-related risks and opportunities, the Group considers relevant activities, resources and relationships across its upstream and downstream value chain, where these could reasonably be expected to affect the Group's prospects.

Given the diversity of Hunas Holdings' businesses, the nature and extent of the value chain varies across operations and includes, where relevant, suppliers, service providers, employees, local communities, customers and guests, smallholder farmers, business partners, regulators and other stakeholders.

Value-chain information will be progressively strengthened as the Group's sustainability data systems and engagement processes mature.

1.7 FUNCTIONAL AND PRESENTATION CURRENCY

Unless otherwise stated, financial information and monetary values associated

information could reasonably be expected to influence decisions made by primary users of the Group's general-purpose financial reports.

Accordingly, the disclosure focuses on sustainability- and climate-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.

The assessment reflects the nature and diversity of the Group's businesses, operational exposures, stakeholder relationships and evolving sustainability context.

1.4 TIME HORIZONS

For assessing sustainability- and climate-related risks and opportunities, the Group applies the following indicative time horizons:

Time Horizon	Definition
Short Term	Up to 1 year
Medium Term	1–5 years
Long Term	More than 5 years

These horizons provide a consistent basis for considering the potential timing and significance of sustainability- and climate-related effects across the Group's businesses.

1.5 TRANSITIONAL RELIEF

As FY2025/26 represents Hunas Holdings PLC's first year of mandatory application of SLFRS S1 and SLFRS S2, the Group has applied the following transitional reliefs available under the Standards:

Anticipated financial effects: The Group has applied the permitted relief from disclosure of anticipated financial effects of sustainability-related and climate-related risks and opportunities under SLFRS S1 paragraph 34(b) and SLFRS S2 paragraph 15(b).

Scope 3 GHG emissions: Scope 3 GHG emissions have not been disclosed, applying the transitional relief under SLFRS S2 paragraph C4(b).

Climate resilience and scenario analysis: The Group has applied the permitted deferral of the climate-resilience disclosure requirements, including climate-related scenario analysis under SLFRS S2 paragraph 22 and Appendix B (B1).

Comparative information: Comparative sustainability-related information has not been presented for the first annual reporting period, applying the transitional relief under SLFRS S1 Appendix C, paragraph C3.

These transitional reliefs support the Group's progressive implementation of comprehensive sustainability-related financial disclosures while the underlying data, methodologies, assessment processes and reporting capabilities continue to mature.



with these disclosures are presented in Sri Lankan Rupees (LKR), consistent with the presentation currency used in the Group's financial reporting.

Where non-financial information is presented, the relevant units of measurement are disclosed alongside the respective metrics.

1.8 CONNECTED INFORMATION

These Sustainability-related Financial Disclosures should not be considered in isolation.

They are intended to be read together with other relevant information contained within the Annual Report, including the Group's:

Business Model & Strategy, Financial Statements, Risk Management, Corporate Governance, Capital-related disclosures, ESG KPI Update

Connections between sustainability-related risks and opportunities and the Group's strategy, operations and financial performance are disclosed where relevant and supported by available information.

This approach helps provide a more integrated understanding of how

2.0 GOVERNANCE

Hunas Holdings PLC recognises that effective governance is fundamental to the identification, assessment and management of sustainability- and climate-related risks and opportunities that could affect the Group's prospects.

The Group integrates sustainability oversight through its existing governance and management structure, supported by defined

2.1 GOVERNANCE OVERSIGHT STRUCTURE

The Board of Directors retains ultimate oversight of sustainability- and climate-related matters relevant to the Group's long-term value creation and resilience.

Executive-level integration is supported by the Group COO and Group CFO, while the Manager – Sustainability, Nature & Compliance coordinates sustainability strategy, ESG performance monitoring, environmental compliance, biodiversity management and sustainability reporting across the Group.

General Managers, Property Heads, Department Heads and ESG focal persons support implementation and information gathering at operational level.

2.2 ROLES & RESPONSIBILITIES

Responsibilities are distributed across governance, management and operational levels to support effective oversight and implementation.

Governance Level	Principal Responsibility
Board of Directors	Oversight of material sustainability- and climate-related matters and their implications for long-term value creation.
Group COO & Group CFO	Executive oversight and integration of sustainability considerations with operations, finance, risk and strategic decision-making.
Manager – Sustainability, Nature & Compliance	ESG strategy coordination, sustainability and climate-related assessment, environmental compliance, biodiversity, ESG data consolidation and reporting.
General Managers / Property Heads	Operational implementation, performance management and compliance within respective businesses.
Department Heads / ESG Focal Persons	Data collection, supporting documentation, monitoring and coordination of sustainability initiatives.

sustainability-related matters may influence the Group's ability to create and preserve value over time

1.9 SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTY

Preparation of sustainability-related financial information involves the use of judgements, assumptions, estimates and evolving measurement methodologies.

During FY2025/26, significant judgement was particularly relevant to the identification and assessment of sustainability- and climate-related risks and opportunities, determination of their potential significance and time horizons, and evaluation of qualitative and anticipated financial effects.

Measurement uncertainty may also arise where sustainability data depend on operational estimates, conversion factors,

assumptions or information from across the Group and its value chain.

Hunas Holdings will continue to strengthen data quality, internal controls, methodologies and documentation as its sustainability-related financial reporting capability develops.

1.10 STATEMENT OF COMPLIANCE

These Sustainability-related Financial Disclosures have been prepared in accordance with SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, reflecting the Group's first year of mandatory application and incorporating the applicable transitional reliefs and provisions adopted for FY2025/26, as disclosed in Section 1.5.

management responsibilities, operational accountability and the Group-wide ESG information framework. This enables sustainability-related matters to progressively inform strategic, operational and risk-management processes.



Our existing ESG framework confirms the role of Group-wide ESG data collection and consolidation in supporting management and Board-level reporting

2.3 SKILLS & COMPETENCIES

The Group recognises that effective oversight of sustainability- and climate-related matters requires appropriate knowledge and capabilities across governance and management levels.

During FY2025/26, Hunas Holdings continued to strengthen internal ESG capability through the development of its

2.4 INFORM & ADDRESS

How Sustainability Matters Reach Decision-makers

Sustainability-related information is collected through the Group-wide ESG information framework and operational reporting processes.

Relevant information is consolidated and reviewed to identify performance trends, compliance matters, emerging risks and opportunities, and areas requiring management attention.

Material matters may then be escalated through the appropriate management channels for consideration and response.

2.5 MONITOR

The Group monitors sustainability performance through its ESG data collection and reporting framework, supported by operational records, regulatory compliance monitoring and management review.

During FY2025/26, ESG information was collected across relevant Group operations covering key areas including:

Energy & GHG emissions • Water • Waste • Workforce • Health & Safety • Training • Community • CSR • Governance • Renewable energy generation

3.0 STRATEGY

Hunas Holdings PLC operates across businesses with differing dependencies on natural resources, people, communities, infrastructure and market conditions. Sustainability- and climate-related risks and opportunities may therefore affect the Group through different pathways and over different time horizons.

The Group's strategic approach is to progressively integrate material sustainability-related considerations into business planning, operational management, risk management and investment decision-making, while strengthening the information required to assess their potential financial implications.

Group-wide ESG framework, structured performance monitoring and sustainability-related awareness and training.

Relevant technical knowledge is supplemented, where required, through engagement with external specialists, regulatory authorities, technical institutions and subject-matter experts, particularly in

areas such as biodiversity, environmental compliance and specialized assessments.

Going forward, the Group intends to progressively strengthen sustainability and climate-related competencies across management and operational teams.



Performance information is consolidated to support the identification of trends, gaps and areas requiring management action.

As the framework matures, the Group intends to strengthen the linkage between ESG performance indicators, sustainability-related risks and opportunities, management actions and Board-level oversight.

2.6 POLICIES & PROCEDURES

The Group's approach to sustainability governance is supported by existing corporate policies, operational procedures, regulatory requirements and management systems relevant to its diversified businesses.

These mechanisms support areas including environmental management, health and safety, ethical conduct, human rights, employee practices, regulatory compliance and responsible operational management.

During FY2025/26, the Group also strengthened its ESG management framework by introducing more structured sustainability data collection and reporting across operating businesses.

The Group intends to progressively review and strengthen relevant policies and procedures to ensure that material sustainability- and climate-related risks and opportunities are appropriately reflected within its management system

During FY2025/26, the Group identified sustainability-related risks and opportunities relevant to its diversified portfolio based on operational experience, ESG performance monitoring, regulatory considerations, stakeholder engagement and environmental and biodiversity assessments.

3.1 MATERIAL SUSTAINABILITY-RELATED RISKS & OPPORTUNITIES

The Group considers sustainability-related risks and opportunities that could reasonably be expected to affect its prospects over the short, medium and long term.

Given the diversity of the Group's activities, the nature and significance of individual

exposures differ across Leisure & Hospitality, Renewable Energy, Plantations & Tea, Real Estate, and Logistics & Marine Services.

For the current reporting period, the Group has identified the following principal sustainability-related themes

SRRO 01:	PHYSICAL CLIMATE RISK & OPERATIONAL RESILIENCE
<i>Classification:</i>	Risk
<i>Exposure:</i>	High
<i>Time horizon:</i>	Short Medium Long
<i>Principal Sectors:</i>	Renewable Energy • Leisure & Hospitality • Plantations & Tea
	The Group's diversified operations are dependent on the resilience of physical assets, infrastructure, natural systems and access networks. Disruption to these systems may affect operational continuity, service delivery, production capacity and financial performance.
<i>Description:</i>	Accordingly, strengthening business continuity, infrastructure resilience, emergency preparedness and recovery capability represents an important sustainability-related consideration across the Group. This is particularly relevant to operations located in environmentally sensitive or geographically exposed areas.
	The Group continues to strengthen operational preparedness and resilience measures to support continuity and long-term value creation.
<i>Current / Potential Effects:</i>	Infrastructure damage • Business interruption • Reduced renewable-energy generation • Temporary loss of hospitality operations • Repair and maintenance expenditure • Potential revenue and cash-flow disruption
<i>Strategic response:</i>	Strengthen physical climate-risk assessment, emergency preparedness, infrastructure resilience and adaptation planning across climate-sensitive assets.
SRRO 02:	WATER, BIODIVERSITY & ECOSYSTEM DEPENDENCY
<i>Classification:</i>	Risk & Opportunity
<i>Exposure:</i>	High
<i>Time horizon:</i>	Short Medium Long
<i>Principal Sectors:</i>	Renewable Energy • Leisure & Hospitality • Plantations & Tea
	The Group's operations interact with and depend upon natural ecosystems, particularly across its hospitality and plantation properties. Forests, biodiversity, healthy soils, catchments and associated ecosystem services contribute to landscape quality, ecological integrity, agricultural productivity and the nature-based experiences offered by the Group.
<i>Description:</i>	The Hunas Falls Biodiversity Assessment undertaken during FY2025/26 strengthened the Group's scientific understanding of these natural assets and dependencies and provided an important baseline for future biodiversity management and conservation planning.
	Biodiversity loss, habitat degradation, invasive species and deterioration of ecosystem condition represent potential sustainability-related risks. Conversely, biodiversity conservation, habitat restoration, nature interpretation and responsible ecosystem management provide opportunities to protect natural capital and enhance the Group's nature-based hospitality proposition.
<i>Current / Potential Effects:</i>	Reduced ecosystem services • Reduced hydropower reliability • Increased resource-management costs • Reduced destination attractiveness • Habitat-management costs
<i>Opportunity Effects:</i>	Protection of tourism assets • Improved ecosystem resilience • Nature-based guest experiences • Conservation partnerships
<i>Strategic response:</i>	Strengthen biodiversity monitoring, conservation planning, water stewardship and catchment awareness while progressively integrating nature considerations into property and operational management.
SRRO 03:	ENERGY, EMISSIONS & LOW-CARBON TRANSITIO
<i>Classification:</i>	Risk & Opportunity
<i>Exposure:</i>	High
<i>Time horizon:</i>	Short Medium Long
<i>Principal Sectors:</i>	Group-wide
	Energy consumption and greenhouse gas emissions represent important sustainability considerations across the Group's operations, influencing operating costs, resource efficiency, environmental performance and evolving stakeholder expectations.
<i>Description:</i>	During FY2025/26, the Group strengthened consolidated monitoring of energy consumption and GHG emissions, establishing a more consistent baseline for evaluating operational performance across its businesses.
	Improved energy efficiency, responsible resource use and strengthened emissions management provide opportunities to reduce operating impacts, improve efficiency and support the Group's broader sustainability performance.
<i>Current / Potential Effects:</i>	Energy-cost exposure • Compliance expenditure • Technology investment • Increasing carbon-management requirement
<i>Opportunity Effects:</i>	Renewable-energy revenue • Energy efficiency • Lower-carbon operations • Contribution to Sri Lanka's energy transition
<i>Strategic response:</i>	Strengthen energy and GHG monitoring, identify efficiency opportunities and improve the resilience and performance of renewable-energy assets.
SRRO 04:	HUMAN CAPITAL, HEALTH & SAFETY
<i>Classification:</i>	Risk & Opportunity
<i>Exposure:</i>	Medium
<i>Time horizon:</i>	Short Medium Long
<i>Principal Sectors:</i>	Group-wide
	The Group depends on a skilled, engaged and safe workforce across hospitality, plantation, factory, hydropower, logistics and corporate activities.
<i>Description:</i>	Talent retention, skills gaps and workplace incidents may affect productivity and operational continuity. During FY2025/26, the Group recorded 2 workplace injuries and 13 lost working days, with TRIR and LTIR of 0.55 per 200,000 hours worked.
	Conversely, the Group recorded an employee retention rate of 68.35%, supported by employee development, welfare and engagement initiatives.
<i>Current / Potential Effects:</i>	Employee injury • Lost working time • Recruitment and replacement costs • Skills gaps • Operational disruption

Opportunity Effects:	Improved workforce capability • Higher retention • Stronger engagement • Improved operational performance
Strategic response:	Strengthen preventive safety management, training, employee development, welfare and succession capability across Group operations.
SRRO 05:	RESPONSIBLE VALUE CHAINS & STAKEHOLDER RELATIONSHIPS
Classification:	Opportunity
Exposure:	High
Time horizon:	Medium
Principal Sectors:	Plantations & Tea • Leisure & Hospitality • Renewable Energy
Description:	Strong relationships with communities, smallholder farmers, customers, guests, suppliers and institutional partners contribute to operational resilience and social license to operate. During FY2025/26, the plantation business strengthened direct green-leaf procurement from smallholders, farmer engagement, TRI-recommended agricultural practices and quality-improvement programmes. The Group also implemented 17 CSR programmes, reaching 10,700 direct and indirect beneficiaries. These initiatives demonstrate opportunities to strengthen supply resilience, local economic participation and stakeholder trust through the Group's core activities and social investment.
Potential Enterprise Value:	More resilient supply chains • Improved raw-material quality • Stronger smallholder relationships • Local economic participation • Community trust • Enhanced social license
Strategic response:	Strengthen responsible sourcing, smallholder engagement, stakeholder dialogue and community initiatives linked to long-term shared value creation.
SRRO 06:	GOVERNANCE, COMPLIANCE & ESG INTEGRATION
Classification:	Risk & Opportunity
Exposure:	Medium
Time horizon:	Short • Medium • Long
Principal Sectors:	Group-wide
Description:	The Group operates within an evolving regulatory and sustainability-reporting environment. Increasing requirements relating to environmental compliance, climate disclosure, governance and ESG information create additional demands for reliable data, internal controls and management oversight. Weak systems could create compliance and reputational risks, while stronger ESG integration can improve management information, transparency and investor confidence.
Current / Potential Effects:	Compliance costs • Regulatory exposure • Reporting requirements • Potential penalties • Reputational impacts
Opportunity Effects:	Stronger governance • Better decision-making • Improved investor confidence • Potential sustainable-finance opportunities
Strategic response:	Strengthen ESG governance, internal controls, data reliability, regulatory readiness and integration of sustainability considerations into management and financial planning.

3.2 CLIMATE-RELATED RISKS & OPPORTUNITIES

Climate change presents both physical and transition risks, as well as opportunities for resilience, efficiency and sustainable growth across Hunas Holdings PLC.

Approximately 88% of the Group's revenue is generated from business activities with direct exposure to climate-related factors, comprising approximately 51% from mini-hydropower operations and 37% from the plantation sector. These businesses are particularly dependent on climatic and

natural-system conditions, including rainfall patterns, water availability, temperature and the frequency and severity of extreme weather events. Accordingly, climate-related developments have the potential to materially affect the Group's operations, financial performance and long-term business outlook. This concentration reinforces the importance of climate resilience within the Group's strategy and risk-management approach.

During FY2025/26, the impacts of Cyclone Ditwah provided direct evidence of the Group's exposure to acute physical climate risk, including damage to the Weswin mini-hydropower operation and damage to the access road serving Hunas Falls Hotel, resulting in operational interruptions.

CRRO 01:	EXTREME WEATHER & PHYSICAL ASSET RESILIENCE
Classification:	Climate Risk
Type:	Acute Physical Risk
Exposure:	High
Time horizon:	Short Medium
Principal Sectors:	Renewable Energy • Leisure & Hospitality • Plantations & Tea
Description:	Extreme rainfall, flooding, landslides and other acute climate-related hazards may damage infrastructure, restrict access and disrupt operations across the Group's climate-sensitive businesses. During FY2025/26, Cyclone Ditwah caused significant damage to the Weswin mini-hydropower facility, resulting in the cessation of operations following the event. The same extreme-weather event damaged the access road to Hunas Falls Hotel, temporarily restricting access and resulting in a temporary closure of hotel operations. These events provide direct evidence of the Group's exposure to acute physical climate risk and demonstrate the potential for extreme-weather events to affect assets, operational continuity and revenue-generating activities.
Current / Potential Effects:	Infrastructure damage • Business interruption • Reduced electricity generation • Temporary hospitality closure • Repair and rehabilitation expenditure • Revenue and cash-flow disruption
Strategic response:	Strengthen physical climate-risk assessment, emergency preparedness, infrastructure resilience, business-continuity planning and climate adaptation across vulnerable assets.

CRRO 02:	RAINFALL VARIABILITY, WATER AVAILABILITY & CATCHMENT DEPENDENCY
Classification:	Climate Risk
Type:	Chronic Physical Risk
Exposure:	High
Time horizon:	Medium Long
Principal Sectors:	Renewable Energy • Leisure & Hospitality • Plantations & Tea
Description:	Several Group businesses are sensitive to changes in rainfall patterns and water availability. Hydropower generation is influenced by rainfall and river-flow conditions, while plantation productivity may be affected by changes in precipitation, seasonal water availability and prolonged dry periods. Hospitality operations also require reliable water availability to support operational needs.
	Increasing variability in rainfall, shifts in seasonal precipitation and extended dry conditions could affect hydropower generation, agricultural productivity and operational water availability, potentially influencing operational and financial performance.
Current / Potential Effects:	Reduced hydropower generation • Water-management costs • Agricultural productivity impacts • Operational pressure • Potential business interruptions
Strategic response:	Strengthen water monitoring, catchment awareness, resource efficiency and operational planning for changing rainfall and water-availability conditions.
CRRO 03:	TEMPERATURE & ECOSYSTEM CHANGE
Classification:	Climate Risk
Type:	Chronic Physical Risk
Exposure:	Medium-High
Time horizon:	Medium Long
Principal Sectors:	Leisure & Hospitality • Plantations & Tea
Description:	Rising temperatures and longer-term changes in climatic conditions may influence ecosystem health, biodiversity, agricultural productivity and the environmental quality of nature-based hospitality destinations. Plantation operations may be affected through heat stress, altered growing conditions, soil-moisture changes and shifts in pest and disease patterns, while biodiversity-rich hospitality properties may experience changes in habitat condition, species composition and ecosystem services. These changes could affect agricultural performance, natural-resource availability, biodiversity values and the quality of nature-based guest experiences over the medium to long term.
Current / Potential Effects:	Higher cooling and energy demand • Agricultural productivity changes • Heat stress • Biodiversity and habitat changes • Reduced ecosystem services • Changing guest experience and destination attractiveness
Strategic response:	Strengthen temperature, biodiversity and ecosystem monitoring, improve climate-resilient agricultural practices, and progressively integrate climate adaptation into property, plantation and natural-capital management.
CRRO 04:	CLIMATE TRANSITION, REGULATION & TECHNOLOGY
Classification:	Climate Risk
Type:	Transition Risk — Policy, Legal & Technology
Exposure:	Medium
Time horizon:	Short Medium Long
Principal Sectors:	Group-wide
Description:	The transition towards lower-carbon business models is accompanied by evolving climate regulation, environmental requirements, carbon-management expectations, reporting obligations and technological change.
	For Hunas Holdings, these developments may require additional investment in sustainability data, environmental compliance, efficiency improvements, lower-carbon equipment and related management systems.
Current / Potential Effects:	Compliance expenditure • Reporting costs • Technology investment • Increased operational expenditure • Additional data and management requirements
Strategic response:	Strengthen climate and ESG governance, improve emissions data, maintain regulatory readiness and progressively integrate efficiency and low-carbon considerations into capital and operational planning.
CRRO 05:	RENEWABLE ENERGY & RESOURCE EFFICIENCY
Classification:	Climate Opportunity
Type:	Energy Transition / Resource Efficiency Opportunity
Exposure:	High Opportunity
Time horizon:	Short • Medium • Long
Principal Sectors:	Renewable Energy • Group-wide
Description:	The Group's renewable-energy operations provide a direct opportunity to participate in Sri Lanka's transition towards lower-carbon electricity generation.
	During FY2025/26, Hunas Holdings generated:17.2 GWh of renewable electricity through its mini-hydropower portfolio.
	The Group-wide ESG framework also strengthened monitoring of energy, water, waste and GHG emissions, creating opportunities to identify additional resource-efficiency improvements.
Potential Enterprise Value:	Renewable-energy revenue • Resource efficiency • Lower operating costs • Reduced environmental footprint • Contribution to Sri Lanka's low-carbon transition
Strategic response:	Improve the resilience and performance of renewable-energy assets while using enhanced ESG information to identify energy and resource-efficiency opportunities across the Group.

CRRO 06:	NATURE-BASED TOURISM & SUSTAINABLE AGRICULTURE
Classification:	Climate Opportunity
Type:	Products, Services & Resilience Opportunity
Exposure:	High / Medium Opportunity
Time horizon:	Medium • Long
Principal Sectors:	Leisure & Hospitality • Plantations & Tea
	Climate resilience and nature-positive practices can create opportunities within both hospitality and plantation businesses.
Description:	At Hunas Falls, the FY2025/26 biodiversity assessment established a stronger scientific basis for responsible nature-based tourism, environmental interpretation and conservation-focused guest experiences. Within the plantation business, TRI-recommended agricultural practices, smallholder engagement, green-leaf quality improvements and responsible land-management practices strengthen the foundation for more resilient and sustainable agricultural operations.
Potential Value Creation:	Destination differentiation • Enhanced guest experience • Agricultural resilience • Improved green-leaf quality • Responsible land stewardship • Stronger stakeholder relationships
Strategic response:	Integrate biodiversity and environmental knowledge into responsible tourism while strengthening sustainable agricultural practices and climate resilience within plantation operations.

3.3 EFFECTS ON OUR BUSINESS MODEL & VALUE CHAIN

Hunas Holdings recognises that sustainability- and climate-related risks and opportunities may arise both within the Group's direct operations and across its wider value chain.

The Group's value chain includes suppliers, contractors, smallholder farmers, service providers and other upstream relationships; its own diversified operating businesses; and downstream relationships with customers, guests, communities, investors, lenders, regulators and business partners.

The extent and nature of these effects vary by business sector and by sustainability-related matter. The Group's current value-chain assessment remains progressive, with direct operations more comprehensively monitored and wider upstream and downstream information to be strengthened as data availability improves.

3.3.1 WHERE MATERIAL SRROs & CRROs ARISE

Material SRROs & CRROs	Upstream Suppliers, Smallholders, Contractors & Service Providers	Own Operations Our Businesses	Downstream Customers, Guests, Communities, Investors, Lenders & Regulators
 Physical Climate Risk & Operational Resilience (CRRO 01)	● Extreme weather can disrupt suppliers, logistics and delivery of materials.	● Direct exposure of assets, infrastructure and operations to climate hazards.	● Impacts service delivery, customer access and community wellbeing.
 Water, Biodiversity & Ecosystem Dependency (SRRO 02 / CRRO 02 & 03)	○ Land and water management practices of suppliers and farmers affect ecosystems and resource availability.	● Operations depend on healthy ecosystems, catchments and reliable water resources.	● Healthy ecosystems support guest experience, community livelihoods and long-term natural capital.
 Energy, Emissions & Low-carbon Transition (SRRO 03 / CRRO 04 & 05)	● Upstream energy use and transport contribute to emissions and costs.	● Energy use, renewable generation and emissions arise from our business operations.	● Customers, investors and regulators expect lower-carbon services and products.
 Human Capital, Health & Safety (SRRO 04)	○ Contractor and supplier workforce conditions and safety performance.	● Our people's health, safety, wellbeing, skills and engagement drive performance.	○ Impacts service quality, customer experience and community wellbeing.
 Responsible Value Chains & Stakeholder Relationships (SRRO 05 / CRRO 06)	● Smallholder relationships, ethical sourcing and local supplier engagement.	● Community engagement, local employment and responsible business conduct.	● Community trust, customer loyalty and long-term social licence to operate.
 Governance, Compliance & ESG Integration (SRRO 06 / CRRO 04)	● Suppliers and partners are expected to comply with standards and requirements.	● Governance, compliance and ESG systems guide decision-making and risk management.	● Stakeholders expect transparency, accountability and reliable ESG information.
● Direct / stronger relevance ○ Indirect / secondary relevance			

3.3.2 UPSTREAM EFFECTS

Suppliers, Smallholders, Contractors & Service Providers

Upstream relationships influence the availability, quality, cost and continuity of resources and services required by Group operations.

Within Plantations & Tea, smallholder farmers represent an important source of green leaf. Changes in climatic conditions, agricultural productivity or quality could affect supply availability and raw-material quality. During FY2025/26, the Group strengthened direct smallholder procurement and farmer engagement as part of building a more sustainable green-leaf supply.

Across other Group businesses, suppliers and contractors may also be affected by changing input costs, extreme-weather disruption, regulatory requirements and increasing sustainability expectations.

Potential business effects:

Supply interruptions • Raw-material quality variation • Increased procurement costs • Delivery delays • Greater supplier-compliance requirements

Opportunity:

Stronger supplier and smallholder relationships, responsible procurement and knowledge sharing can improve *supply* resilience, quality and local economic participation.

3.3.3 EFFECTS ON OUR OWN OPERATIONS

LEISURE & HOSPITALITY

Operations depend on natural landscapes, biodiversity, reliable water resources, infrastructure and access.

During FY2025/26, damage to the Hunas Falls Hotel access road during Cyclone Ditwah resulted in temporary closure of operations, demonstrating the direct connection between physical climate hazards and business continuity.

At the same time, biodiversity-rich properties create opportunities for responsible nature-based tourism, environmental interpretation and destination differentiation.

RENEWABLE ENERGY

Hydropower operations depend directly on rainfall, river flows, watershed condition and physical infrastructure.

The severe damage to the Weswin operation during Cyclone Ditwah demonstrated exposure to physical climate hazards, infrastructure damage and interruption to electricity generation.

At the same time, renewable energy remains an important strategic opportunity, with 17.27 GWh of renewable electricity generated during FY2025/26.

PLANTATIONS & TEA

Plantation operations depend on climate, water, soil health, labor capability and green-leaf supply.

Changing climatic conditions may affect agricultural productivity, while sustainable agricultural practices, smallholder engagement and quality-management initiatives provide opportunities to strengthen resilience and supply quality.

LOGISTICS & MARINE SERVICES

The business is potentially exposed to fuel and energy costs, transport disruption, changing emissions expectations and evolving regulatory requirements.

Efficiency improvements and responsible fleet management may create opportunities to strengthen operational efficiency and reduce environmental impacts.

REAL ESTATE

Real-estate assets may be influenced by physical climate exposure, energy and water efficiency, environmental compliance and long-term asset resilience.

Responsible property management and efficiency improvements can help preserve asset value over time.

3.3.4 DOWNSTREAM EFFECTS

Customers, Guests, Communities & Providers of Capital

Sustainability-related matters may also influence the way customers, communities and capital providers interact with the Group.

For hospitality, changing environmental conditions or operational interruptions can affect guest accessibility, experience and destination attractiveness.

For renewable energy, interruptions to generation may reduce electricity supplied, while stronger renewable-energy performance supports the transition towards cleaner electricity.

Community relationships can influence the Group's social license to operate, particularly around plantation, hydropower and hospitality locations.

Investors and lenders may also increasingly consider the Group's sustainability governance, climate resilience and ESG disclosure capability when evaluating long-term business resilience.

Potential effects:

Customer confidence • Guest experience • Community relationships • Investor expectations • Access to finance • Corporate reputation

3.3.5 HOW VALUE-CHAIN EFFECTS CONNECT TO BUSINESS VALUE

SUSTAINABILITY / CLIMATE DRIVER	VALUE-CHAIN EFFECT Where it occurs	OPERATIONAL EFFECT Impact on our business	FINANCIAL EFFECT Impact on value	EXAMPLE FROM FY2025/26
 Extreme Weather (Flooding, Cyclones, Heavy Rainfall)	 Access roads, logistics and critical infrastructure disrupted <i>Upstream / Own Operations</i>	 Temporary shutdowns, lower generation, interrupted services <i>Own Operations</i>	 Potential revenue loss, repair & rehabilitation costs, higher operating costs	• Cyclone Ditwah damaged Weswin/Nilambe MHPP (operations ceased). • Access road to Hunas Falls Hotel damaged; hotel temporarily closed.
 Water Scarcity & Changing Rainfall Patterns	 Reduced river flows and water availability <i>Upstream / Own Operations</i>	 Lower hydropower output, pressure on agricultural yields and operational water needs <i>Own Operations</i>	 Potential lower revenue, higher water management costs, efficiency investments	• Lower hydropower generation during low-flow periods. • Irrigation and water-use efficiency initiatives strengthened.
 Rising Temperatures & Ecosystem Change	 Impacts on crops, biodiversity and natural landscapes <i>Upstream / Own Operations</i>	 Higher cooling demand, changing crop productivity, ecosystem stress <i>Own Operations</i>	 Higher energy costs, productivity impacts, potential decline in destination value	• Increased cooling and energy requirements. • Biodiversity assessment and conservation actions advanced.
 Regulation, Policy & Technology Transition	 Suppliers and partners face compliance and technology requirements <i>Upstream / Own Operations</i>	 Compliance obligations, reporting requirements, technology upgrades needed <i>Own Operations</i>	 Compliance and reporting costs, capital expenditure, operating cost implications	• Investment in ESG data systems and reporting. • Environmental compliance monitoring strengthened.
 Renewable Energy & Resource Efficiency	 Access to clean energy technologies and efficient resources <i>Own Operations / Downstream</i>	 Higher renewable generation, lower energy intensity, improved resource productivity <i>Own Operations</i>	 Energy cost savings, revenue potential, lower environmental footprint	• Generated 16.28 GWh of renewable electricity. • Energy and resource efficiency initiatives expanded.
 Sustainable Supply Chain & Stakeholder Relationships	 Strong smallholder, supplier and community relationships <i>Upstream / Downstream</i>	 Reliable supply, higher quality, social licence to operate <i>Own Operations</i>	 Operational resilience, cost efficiency, enhanced reputation and long-term value creation	• Direct green-leaf procurement from smallholders. • 17 CSR programmes with 10,700 beneficiaries.

3.3.6 VALUE-CHAIN DEVELOPMENT

The Group recognises that its current sustainability information is strongest within direct operations. Going forward, Hunas Holdings intends to progressively strengthen understanding of upstream and downstream sustainability-related risks and opportunities through:

1. Supplier and smallholder engagement
2. Improved value-chain data collection
3. More structured sustainability requirements in procurement
4. Expanded stakeholder engagement
5. Progressive development of Scope 3 information
6. Greater integration of value-chain considerations into risk assessment

This approach is consistent with our earlier reporting position that wider upstream and downstream impacts are being progressively understood as sustainability-reporting capability develops.

3.4 EFFECTS ON STRATEGY & DECISION-MAKING

Hunas Holdings progressively integrates material sustainability- and climate-related

STRATEGIC DECISION PATHWAY



LOOKING FORWARD

The Group will progressively strengthen the integration of sustainability-related considerations into strategic planning, capital allocation and investment evaluation, supported by improved data, risk assessment and management information.

considerations into strategic and operational decision-making. Identified SRROs and CRROs inform priorities relating to business resilience, resource allocation, operational improvement and long-term value creation, and are increasingly considered in decisions concerning new acquisitions, mergers, business expansion and other strategic investments.

The extent and depth of this integration continue to evolve as the Group strengthens its sustainability information, assessment processes and management capabilities, supporting more informed and resilient business decisions over the short, medium and long term.

STRATEGIC INTEGRATION

Business & Asset Resilience:

Physical and environmental exposures are increasingly considered in operational

planning, asset management, business continuity and future infrastructure decisions.

Natural Capital Stewardship:

Dependencies on water, biodiversity, ecosystems and land inform conservation, resource management and responsible use of natural assets across relevant businesses.

3.5 CURRENT & ANTICIPATED FINANCIAL EFFECTS

Sustainability- and climate-related risks and opportunities can affect the Group's financial position, financial performance and cash flows through their influence on operations, revenues, costs, assets and resource requirements.

The significance of climate exposure is heightened by the Group's business mix, with approximately 88% of Group revenue generated from climate-sensitive mini-hydropower (51%) and plantation operations (37%). The Group's broader climate-exposure profile and related CRROs are described in Section 3.2.

CURRENT FINANCIAL EFFECTS

During FY2025/26, the Group experienced sustainability- and climate-related effects across certain operations. These effects arose principally through physical climate disruption, operational interruption, resource and environmental management requirements, and expenditure associated with sustainability, compliance and resilience measures.

Operational Efficiency & Low-carbon Transition:

Energy, emissions and resource-use information support the identification of efficiency opportunities and consideration of lower-carbon solutions within operational and investment decisions.

Responsible & Resilient Supply:

Sustainability considerations inform agricultural practices, sourcing relationships, quality management and engagement with smallholders and suppliers.

People & Stakeholder Value:

Workforce capability, safety, employee engagement and stakeholder relationships are considered in maintaining operational continuity and supporting sustainable business performance.

Governance & ESG Integration:

Improved ESG information supports management oversight, compliance, risk awareness and the progressive integration of sustainability considerations into Group-level planning and decision-making.

Material examples during the reporting period included the impacts associated with Cyclone Ditwah, which damaged the access road to Hunas Falls Hotel and resulted in a temporary interruption to hotel operations. The event also caused significant damage to the Weswin Mini Hydropower Plant, resulting in the suspension of operations following the event.

These events illustrate the potential connection between physical climate exposure and the Group's operational continuity, revenue generation, asset condition, repair and restoration requirements and associated cash flows.

Other sustainability-related matters may affect current financial performance through environmental and regulatory compliance expenditure, employee health and safety, resource consumption, workforce management and sustainability-related operational activities.

Financial Effect Pathways

Financial Area	Principal Sustainability / Climate Linkage
Revenue & Cash Flows	Operational interruptions, renewable-energy generation, hospitality activity, agricultural productivity and changing business conditions
Operating Expenditure	Energy and resource use, environmental management, compliance, workforce, safety, maintenance and resilience-related expenditure
Assets & Capital Requirements	Physical climate damage, asset maintenance, restoration, adaptation and operational infrastructure requirements
Long-term Enterprise Value	Business resilience, natural-resource availability, regulatory preparedness, stakeholder confidence and sustainability-related opportunities

Approach to Financial Effect Assessment

4.0 RISK MANAGEMENT

Hunas Holdings PLC progressively integrates sustainability- and climate-related considerations into its broader risk management and operational oversight processes.

The Group's approach is designed to support the systematic identification, assessment, prioritization, management and monitoring of sustainability-related risks and opportunities that could affect its businesses, assets, stakeholders and long-term prospects. During FY2025/26, this process was supported by operational experience, ESG performance information, environmental and regulatory monitoring, stakeholder engagement and specialized assessments.

The Group intends to further formalize and strengthen this process as its sustainability-related financial reporting capabilities mature.

4.1 IDENTIFICATION

Potential sustainability- and climate-related risks and opportunities are identified through multiple sources, including:

Operational & Management Review: emerging issues, incidents and changing business conditions identified through day-to-day operations.

For FY2025/26, the Group's assessment focuses on identifying observable connections between material SRROs and CRROs and their current effects on revenue and cash flows, operating expenditure, assets and capital requirements, and operational performance.

Where effects can be directly identified from operational and financial information, these are considered within the Group's existing management and financial reporting processes. The Group is progressively strengthening the methodologies, data and internal processes required to support more systematic quantification of sustainability- and climate-related financial effects in future reporting periods.

ANTICIPATED FINANCIAL EFFECTS

For FY2025/26, Hunas Holdings PLC has applied the transitional relief available in Sri Lanka from disclosure of anticipated financial effects of sustainability-related and climate-related risks and opportunities under SLFRS S1 paragraph 34(b) and SLFRS S2 paragraph 15(b).

Accordingly, the Group has not provided detailed qualitative or quantitative disclosure of anticipated financial effects over the short, medium and long term for the current reporting period. Sri Lanka permits this

relief for the first two years following mandatory application of the Standards.

During the transitional period, the Group intends to strengthen the processes required to connect material SRROs and CRROs with financial planning, asset-level exposure, capital requirements, operating expenditure, revenue and cash-flow implications.

This will support the progressive development of more robust anticipated financial-effects disclosures as the Group's underlying data, methodologies and assessment capabilities mature.

Reporting Position

Disclosure Area	FY2025/26 Position
Current financial effects	Disclosed qualitatively based on identified FY2025/26 effects
Anticipated financial effects	Transitional Relief Applied
Quantification of anticipated effects	Deferred during the applicable transitional period
Future development	Strengthen linkage between SRROs/CRROs and financial planning, assets, expenditure, revenue and cash flows

ESG Performance Data: environmental, social, workforce, health and safety and governance indicators collected across Group operations.

Environmental & Compliance Monitoring: regulatory requirements, environmental licenses, assessments and compliance activities.

Specialized Assessments: technical studies and assessments where greater understanding of particular sustainability matters is required.

Stakeholder Engagement: information arising from employees, communities, customers, smallholders, suppliers, regulators and other relevant stakeholders.

External Developments: evolving legislation, climate conditions, market expectations and sustainability-reporting requirements.

4.2 ASSESSMENT & PRIORITISATION

Identified matters are considered according to their potential relevance to the Group's businesses and prospects.

The assessment progressively considers:

Likelihood:

Probability of the risk or opportunity occurring.

Magnitude:

Potential scale of operational, strategic or financial effect.

Time Horizon:

Whether the effect could arise over the short, medium or long term.

Business Exposure:

Businesses, assets and value-chain relationships potentially affected.

Financial Relevance:

Potential implications for revenue, expenditure, assets, cash flows or financing.

Interconnections:

Relationships with other sustainability- and climate-related risks and opportunities. Matters considered more significant are prioritised for management attention, monitoring and, where appropriate, escalation.

Suggested assessment scale:

HIGH: Significant potential effect requiring priority management attention

MEDIUM: Relevant effect requiring active monitoring and management

LOW: Limited current significance but retained under review

4.3 MANAGEMENT & RESPONSE

The response to identified sustainability- and climate-related matters is determined according to the nature, significance and business context of the issue.

Management responses may include:

AVOID:
Prevent or discontinue activities where exposure is unacceptable.

MITIGATE:
Introduce operational, environmental, safety or management controls to reduce exposure.

ADAPT:
Strengthen resilience to changing environmental or climatic conditions.

4.6 CONTINUOUS IMPROVEMENT

FY2025/26 represents an important development stage in the Group's sustainability risk-management approach.

Future priorities include strengthening documented assessment methodologies, risk ownership, asset-level climate-risk assessment, value-chain information, quantitative analysis and connections between sustainability risks and financial planning.

The Group will periodically review its sustainability-related risk profile as business conditions, scientific understanding, regulatory requirements and stakeholder expectations evolve.

5.0 METRICS & TARGETS

Hunas Holdings uses sustainability- and climate-related metrics to monitor performance, assess exposure to identified risks and opportunities, and support management decision-making.

Given the diversified nature of the Group, the metrics presented comprise both cross-industry climate-related metrics applicable across the Group and industry-specific metrics relevant to the principal activities within its business portfolio.

FY2025/26 represents an important baseline year in strengthening the consistency and coverage of sustainability-related performance information across the Group.

TRANSFER / SHARE:
Use appropriate insurance, contractual arrangements or partnerships where applicable.

PURSUE:
Develop sustainability-related opportunities capable of strengthening efficiency, resilience or long-term value.

4.4 MONITORING & ESCALATION

Material sustainability-related matters are progressively monitored through the Group's ESG data framework, operational management processes, compliance activities and management reporting.

Performance information and emerging issues are reviewed at the appropriate operational and management levels, with matters requiring greater attention escalated through the governance structure established in Section 2 – Governance.

Where circumstances change, the significance, priority or required response to an identified risk or opportunity may be reassessed.

This creates a continuous cycle:
MONITOR → REVIEW → ESCALATE → RESPOND → REASSESS

4.5 INTEGRATION WITH ENTERPRISE RISK MANAGEMENT

Sustainability- and climate-related risk management is intended to operate as part of the Group's broader management and risk processes rather than as a standalone ESG exercise.

The Group is progressively strengthening connections between sustainability-related assessment and:

Enterprise risk management • Strategic planning • Operational management • Compliance • Business continuity • Capital and resource allocation

As sustainability-related financial reporting capabilities mature, the Group intends to further formalize the incorporation of material SRROs and CRROs into relevant risk registers and management review processes



5.1 CROSS-INDUSTRY CLIMATE-RELATED METRICS

01 | GREENHOUSE GAS EMISSIONS

The Group measures greenhouse gas emissions across its operational reporting boundary to establish a consistent baseline for climate-related performance monitoring and future emissions management.

Metric	FY2025/26
Scope 1 GHG Emissions	181 tCO ₂ e
Scope 2 GHG Emissions	406 tCO ₂ e
Total Scope 1 + Scope 2	587 tCO ₂ e
Biogenic CO ₂ Emissions	1,123 tCO ₂ e
Scope 3 Emissions	Relief applied

Measurement Methodology

GHG emissions are calculated in accordance with ISO 14064-1:2018 and the GHG Protocol, using activity data collected through the Group-wide ESG data monitoring system and applicable emission factors.

Scope 1 – Direct Emissions

Includes emissions arising from fuel consumption within the Group's operational boundary, including stationary and mobile combustion sources.

Scope 2 – Energy Indirect Emissions

Includes emissions associated with purchased electricity consumed by Group

operations. Emissions are calculated using electricity consumption data and the applicable grid emission factor.

Biogenic CO₂

CO₂ emissions associated with biomass combustion are quantified and reported separately from Scope 1 fossil-fuel emissions.

Scope 3 – Other Indirect Emissions

Applying the transitional relief under SLFRS S2 paragraph C4(b).

The Group intends to progressively strengthen value-chain data availability and measurement capability to support future Scope 3 assessment.

Compact Methodology Box:

ACCOUNTING FRAMEWORK

ISO 14064-1:2018 & GHG Protocol

REPORTING UNIT

tCO₂e

SCOPE 1

Direct fuel combustion

SCOPE 2

Purchased electricity

BIOGENIC CO₂

Reported separately

SCOPE 3

Applying the transitional relief under SLFRS S2 paragraph C4(b).

02 | ASSETS OR BUSINESS ACTIVITIES VULNERABLE TO PHYSICAL CLIMATE RISKS

FY2025/26 Position: Qualitatively assessed; not yet quantified as a percentage or monetary amount.

The Group has identified climate-sensitive exposure particularly within renewable energy, leisure and hospitality, and plantation operations.

Detailed physical climate exposures are disclosed under Section 3.2 – CRROs.

03 | ASSETS OR BUSINESS ACTIVITIES VULNERABLE TO TRANSITION RISKS

FY2025/26 Position: Qualitatively assessed; not yet quantified.

Relevant exposures include evolving environmental and climate regulation, energy and fuel costs, technology requirements, emissions management and changing stakeholder expectations.

Detailed physical climate exposures are disclosed under Section 3.2 – CRROs.

04 | ASSETS OR BUSINESS ACTIVITIES ALIGNED WITH CLIMATE-RELATED OPPORTUNITIES

The Group's renewable-energy portfolio represents its clearest current climate-related business opportunity.

Renewable electricity generated
FY2025/26: 17,270,219kWh | 17.27 GWh

Other identified opportunities include resource efficiency, responsible nature-based tourism and sustainable agricultural practices.

FY2025/26 Position: Opportunities identified qualitatively; percentage of assets or business activities aligned with climate opportunities not yet quantified.

05 | CAPITAL DEPLOYMENT

FY2025/26 Position: Climate-related capital expenditure and financing have not yet been separately classified and quantified under a dedicated climate-capital framework.

The Group intends to progressively strengthen the identification of expenditure and capital allocation associated with climate adaptation, resilience, efficiency and other climate-related initiatives.

06 | INTERNAL CARBON PRICE

FY2025/26 Position:
No internal carbon price currently applied.

07 | EXECUTIVE REMUNERATION LINKED TO CLIMATE CONSIDERATIONS

FY2025/26 Position:
No specific proportion of executive management remuneration has been formally linked to climate-related performance.

5.2 INDUSTRY-SPECIFIC METRICS

Given the diversified nature of Hunas Holdings PLC, the Group considers industry-specific sustainability metrics

relevant to its principal business activities. Metrics are selected based on their relevance to the Group's identified sustainability- and

climate-related risks and opportunities and the availability of reliable information during FY2025/26.

Industry / Business Activity	Industry-Specific Metric	FY2025/26 Performance / Status	Relevance
Leisure & Hospitality	Energy consumption	Monitored through Group ESG framework	Energy efficiency & transition
	Water consumption	Monitored at operational level	Water dependency
	Waste generation & management	Monitored by waste category	Resource efficiency
	Biodiversity & ecosystem condition	Biodiversity baseline assessment undertaken at Hunas Falls	Natural capital & nature-based tourism
	Occupational health & safety	Included in Group H&S monitoring	Human capital & operational resilience
Renewable Energy	Renewable electricity generation	17.27 GWh	Low-carbon transition
	Water / catchment dependency	Operational dependency monitored	Physical climate resilience
	Climate-related operational disruption	Material physical exposure identified during FY2025/26	Asset & operational resilience
	Environmental compliance	Monitored across relevant operations	Regulatory compliance
Plantations & Tea	Sustainable agricultural practices	TRI-recommended practices implemented	Agricultural resilience
	Green-leaf quality	Quality-improvement programme implemented	Product quality & efficiency
	Smallholder sourcing & engagement	Direct procurement and engagement undertaken	Supply-chain resilience
	Land & tree-resource stewardship	Estate-tree harvesting avoided for factory fuelwood	Natural-resource management
Logistics & Marine Services	Workforce health & safety	Included in Group H&S monitoring	Human capital
	Fuel consumption	Monitored through ESG data framework	Energy & emissions
	GHG emissions	Included within Group emissions accounting	Climate transition
	Occupational health & safety	Included in Group H&S monitoring	Workforce & operational resilience
Real Estate	Energy & resource use	Relevant operational data monitored	Resource efficiency
	Environmental compliance	Monitored as applicable	Regulatory exposure
	Physical climate exposure	Considered qualitatively	Asset resilience

5.3 GROUP SUSTAINABILITY METRICS AND TARGETS

Hunas Holdings PLC is progressing from baseline ESG measurement towards a structured target-setting framework aligned with the Group's material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).

FY2025/26 serves as the baseline year for the Group's enhanced sustainability and climate performance monitoring. The targets established from this baseline are intended to support measurable improvement while recognising the diversified nature of the Group, changes in business activity, hydrological and climatic variability, and the progressive maturity of sustainability data and management systems.

For environmental performance, the Group uses revenue-normalized intensity indicators alongside absolute performance measures to enable meaningful assessment of resource efficiency and emissions performance relative to business activity.

FY2025/26 BASELINE & TARGET FRAMEWORK

Target Area	FY2025/26 Baseline	Target / Commitment	Target Period
GHG Emissions Intensity	0.06 tCO ₂ e / LKR mn revenue	Reduce by 10% to ≤0.05 tCO ₂ e / LKR mn revenue	FY2028/29
Energy Intensity	2.52GJ / LKR mn revenue	Reduce by 8% to ≤2.32 GJ / LKR mn revenue	FY2028/29
Water Intensity	2.32 m ³ / LKR mn revenue	Reduce by 5% to ≤2.20 m ³ / LKR mn revenue	FY2028/29
Waste Intensity	2.15 kg / LKR mn revenue	Reduce by 10% to ≤1.94 kg / LKR mn revenue	FY2028/29
Renewable Energy Consumption	69% of total energy consumption	Maintain a strong renewable-energy contribution and progressively improve where operationally feasible	Annual
Renewable Electricity Generation	17.27 GWh	Maintain and optimize generation subject to hydrological conditions, climate variability and plant availability	Annual
Scope 3 GHG Emissions	Not quantified	Identify material Scope 3 categories and commence phased measurement	By FY2027/28
Climate Risk Assessment	Primarily qualitative	Complete structured physical climate-risk assessment for material climate-sensitive assets	By FY2027/28
Biodiversity & Ecosystems	Biodiversity baseline established at Hunas Falls	Establish structured biodiversity monitoring and initiate priority conservation actions at identified biodiversity-sensitive properties	By FY2027/28
Occupational Health & Safety	2 injuries; TRIR 0.55; LTIR 0.55; zero fatalities	Maintain zero fatalities and reduce TRIR and LTIR below 0.50	Annual / FY2028/29
Employee Retention	68.35%	Improve retention to ≥75%	FY2028/29
ESG Data & Reporting	Group-wide ESG data framework established	Achieve 100% reporting coverage across designated Group reporting entities and strengthen validation controls	FY2026/27

Climate & Environmental Targets

GHG EMISSIONS

Target: Reduce combined Scope 1 and Scope 2 GHG emissions intensity by **10% by FY2028/29**, relative to FY2025/26.

Baseline year:	FY2025/26
Baseline intensity:	0.06 tCO ₂ e / LKR mn revenue
Target intensity:	≤0.05 tCO ₂ e / LKR mn revenue
Target year:	FY2028/29
Scope:	Scope 1 and Scope 2 emissions within the Group's operational reporting boundary
Target basis	Intensity-based

Absolute Scope 1 and Scope 2 emissions will continue to be disclosed alongside the intensity metric to ensure transparency regarding changes in total emissions.

GHG emissions are measured using the Group's methodology based on ISO 14064-1:2018 and the GHG Protocol, supported by operational activity data and applicable emission factors.

ENERGY EFFICIENCY

Target: Reduce energy intensity by **8% by FY2028/29** against the FY2025/26 baseline.

Baseline:	2.52GJ / LKR mn revenue
Target:	≤2.32 GJ / LKR mn revenue
Target year:	FY2028/29

Progress will be supported through operational efficiency, equipment optimization, responsible energy management and consideration of lower-energy alternatives where technically and commercially feasible.

WATER STEWARDSHIP

Target: Reduce water consumption intensity by **5% by FY2028/29**.

Baseline:	2.32 m ³ / LKR mn revenue
Target:	≤2.20 m ³ /LKR mn revenue
Target year:	FY2028/29

The Group will focus on improved measurement, responsible consumption, leak prevention, operational efficiency and appropriate reuse of treated water.

WASTE MANAGEMENT

Target: Reduce waste-generation intensity by **10% by FY2028/29**.

Baseline:	2.15 kg / LKR mn revenue
Target:	≤1.94kg / LKR mn revenue
Target year:	FY2028/29

Waste-management actions will focus on prevention, segregation, reuse, recycling and responsible disposal, supported by continued monitoring of individual waste streams.

RENEWABLE ENERGY

Renewable energy accounted for approximately **69% of the Group's total energy consumption** in FY2025/26. The Group will seek to maintain a strong renewable-energy contribution and progressively improve performance where operationally feasible.

Renewable electricity generation from the Group's hydropower operations amounted to **17.27 GWh in FY2025/26**.

Given the dependency of hydropower generation on rainfall, hydrological conditions, climate variability and plant availability, the Group has not established an arbitrary annual percentage-growth target for renewable generation. Performance will instead be monitored against prevailing operational conditions and asset capability.

SCOPE 3 DEVELOPMENT

Target: Identify material Scope 3 emission categories and commence phased measurement of priority value-chain emissions by **FY2027/28**.

This will support the progressive expansion of the Group's GHG inventory beyond its current Scope 1 and Scope 2 operational baseline.

CLIMATE RESILIENCE

Target: Complete a structured physical climate-risk assessment for material climate-sensitive assets by **FY2027/28**.

The assessment will support improved understanding of asset vulnerability and the progressive integration of adaptation and resilience considerations into business planning and capital decision-making.

Natural Capital Target

BIODIVERSITY & ECOSYSTEMS

Target: Establish structured biodiversity monitoring and initiate priority conservation actions at identified biodiversity-sensitive properties by FY2027/28.

The biodiversity baseline established at Hunas Falls provides an initial scientific foundation for developing monitoring priorities, conservation interventions and future nature-related performance indicators.

People & Safety Targets

OCCUPATIONAL HEALTH & SAFETY

Targets:

- Maintain zero workplace fatalities annually.
- Reduce and maintain TRIR below 0.50 by FY2028/29.
- Reduce and maintain LTIR below 0.50 by FY2028/29.
- Continue strengthening preventive safety management, incident reporting and corrective-action processes across Group operations.

The FY2025/26 baseline is TRIR 0.55 and LTIR 0.55, with two workplace injuries and 13 lost working days.

EMPLOYEE RETENTION

Target: Improve retention to **≥75%** by FY 2028/29, against the FY2025/26 baseline of **68.35%**.

The Group will continue to support employee engagement, development and workplace practices that contribute to workforce stability and organizational capability.

ESG DATA & REPORTING

Target: Achieve **100% ESG reporting coverage across designated Group reporting entities by FY2026/27**, supported by strengthened data completeness, consistency and validation controls.

The Group will progressively strengthen internal controls over sustainability information to improve its reliability and usefulness for management decision-making and external reporting.

TARGET GOVERNANCE & PERFORMANCE MONITORING

Performance against approved sustainability and climate-related targets will be monitored through the Group's ESG data framework and relevant operational management processes.

For each quantitative target, performance will be assessed against the stated **FY2025/26 baseline** using a consistent methodology. Both **absolute values and intensity indicators** will be monitored where relevant to provide a balanced view of performance.

Targets will be periodically reviewed considering:

Business performance • Changes in reporting boundary • Data quality • Methodological developments • Climate and operational conditions • Regulatory requirements • Material SRROs and CRROs

Where a target, baseline or calculation methodology is materially revised, the Group will disclose the nature of and reason for the change.

TARGET MANAGEMENT CYCLE

BASELINE → TARGET → ACCOUNTABILITY → IMPLEMENTATION → MEASUREMENT → PERFORMANCE REVIEW → REPORTING & REFINEMENT

6.0 SUSTAINABILITY DISCLOSURE MATRIX

The following Sustainability Disclosure Matrix provides a consolidated reference to the Group's sustainability-related financial disclosures prepared with reference to **SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information** and **SLFRS S2 – Climate-related Disclosures**.

The matrix identifies the principal disclosure requirements, their location within this report and the Group's FY2025/26 response.

A. GENERAL REQUIREMENTS

Standard / Reference	Disclosure Requirement	Report Reference	Hunas Holdings FY2025/26 Response
SLFRS S1 – Objective & Scope	Material sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects	1.3, 3.1	Material sustainability-related risks and opportunities relevant to the Group's diversified operations have been identified and disclosed.
SLFRS S1 – Materiality	Disclose material sustainability-related financial information relevant to primary users	1.3	Materiality is applied based on whether sustainability-related information could reasonably be expected to influence decisions of primary users.
SLFRS S1 – Reporting Entity / Boundary	Sustainability-related disclosures cover the same reporting entity as the related financial statements	1.2	Sustainability reporting boundary is aligned with the Group's financial reporting boundary, subject to relevance and reliable information availability.
SLFRS S1 – Reporting Period	Sustainability disclosures cover the same reporting period as the related financial statements	1.1	FY2025/26 reporting period from 1 April 2025 to 31 March 2026 applied.
SLFRS S1 – Location of Disclosures	Sustainability-related financial disclosures presented as part of general-purpose financial reporting	Annual Report	Disclosures are presented within the Group's Annual Report.
SLFRS S1 – Connected Information	Enable users to understand connections between sustainability-related matters and strategy, operations, risks and financial information	1.8, 3.3–3.5	Connections are presented through SRROs/CRROs, business-model and value-chain effects, strategic responses and financial-effect pathways.
SLFRS S1 – Comparative Information	Comparative sustainability-related information where required	1.5	Comparative sustainability-related information has not been presented for the first annual reporting period, applying the applicable transitional relief.
SLFRS S1 – Functional / Presentation Currency	Monetary information presented consistently with the related financial statements	1.7	Monetary information is presented in Sri Lankan Rupees (LKR), unless otherwise stated.
SLFRS S1 – Significant Judgements & Measurement Uncertainty	Disclose significant judgements, assumptions and measurement uncertainty affecting sustainability-related information	1.9	Principal judgements, assumptions, estimates, evolving methodologies and data limitations are disclosed.
SLFRS S1 – Value Chain	Consider sustainability-related risks and opportunities across relevant upstream and downstream relationships	1.6, 3.3	Relevant upstream, own-operation and downstream relationships are considered, with value-chain information to be progressively strengthened.
SLFRS S1 – Statement of Compliance	Provide an appropriate statement regarding compliance with applicable requirements	1.10	Disclosures are prepared in accordance with SLFRS S1 and SLFRS S2, incorporating applicable transitional reliefs for FY2025/26.
SLFRS S1/S2 – Transitional Reliefs	Identify applicable transitional provisions used during initial application	1.5, 3.5, 5.1	Transitional reliefs applied in relation to anticipated financial effects, Scope 3 GHG emissions, climate resilience/scenario analysis and comparative information.

B. GOVERNANCE

Standard / Reference	Disclosure Requirement	Report Reference	Hunas Holdings FY2025/26 Response
SLFRS S1/S2 – Governance Oversight	Governance body responsible for oversight of sustainability- and climate-related risks and opportunities	2.1	The Board retains ultimate oversight, supported by executive management and operational sustainability responsibilities.
Governance – Roles & Responsibilities	How sustainability responsibilities are reflected across governance and management structures	2.1–2.2	Board, Group COO, Group CFO, Manager – Sustainability, Nature & Compliance, General Managers, Property Heads and ESG focal persons have defined responsibilities.
Governance – Skills & Competencies	Sustainability- and climate-related knowledge and capabilities available or developed	2.3	Internal ESG capability is being strengthened and supplemented by external specialists, regulators, technical institutions and subject-matter experts where required.
Governance – Information Flow & Escalation	How sustainability-related information reaches decision-makers	2.4	ESG and operational information is consolidated, reviewed and escalated through appropriate management channels where material matters require attention.
Governance – Performance Monitoring	How sustainability- and climate-related performance is monitored	2.5	Group-wide ESG monitoring covers energy, GHG emissions, water, waste, workforce, H&S, training, CSR, governance and renewable generation.
Governance – Policies, Controls & Procedures	Controls and procedures supporting sustainability oversight	2.5–2.6	Existing policies, operating procedures, regulatory processes and structured ESG data collection support sustainability governance and monitoring.
Governance – Targets	Oversight and monitoring of sustainability- and climate-related targets	2.5, 5.3	FY2025/26 baseline metrics and quantified targets have been established, with performance to be monitored through the Group ESG framework and relevant management processes.
Governance – Management Role	Management's role in assessing and managing sustainability- and climate-related matters	2.2–2.6	Executive and operational management responsibilities for assessment, implementation, data collection, monitoring, compliance and reporting are defined.

C. STRATEGY

Standard / Reference	Disclosure Requirement	Report Reference	Hunas Holdings FY2025/26 Response
SLFRS S1 – Sustainability-related Risks & Opportunities	Identify material sustainability-related risks and opportunities	3.1	Six principal SRROs are identified, classified and assessed with relevant exposure, time horizon, business effects and strategic responses.
SLFRS S2 – Climate-related Risks & Opportunities	Identify material climate-related risks and opportunities	3.2	Six principal CRROs are identified, covering physical risks, transition risks and climate-related opportunities.
SLFRS S2 – Climate Risk Type	Distinguish physical and transition climate risks	3.2	Acute physical, chronic physical and transition risks are identified separately.
Time Horizons	Identify short-, medium- and long-term horizons	1.4, 3.1–3.2	Short term: up to 1 year; medium term: 1–5 years; long term: more than 5 years. Relevant horizons are assigned to SRROs and CRROs.
Business Model	Current effects of sustainability- and climate-related risks and opportunities on the business model	3.3, 3.3.3	Effects and dependencies across Leisure & Hospitality, Renewable Energy, Plantations & Tea, Logistics & Marine Services and Real Estate are described.
Value Chain	Effects across upstream, own operations and downstream relationships	1.6, 3.3.2–3.3.6	Relevant supplier, smallholder, contractor, customer, guest, community and capital-provider relationships are assessed qualitatively.
Concentration of Exposure	Where material sustainability/climate exposures are concentrated	3.1–3.3	Principal sectors and activities exposed to SRROs and CRROs are identified. Climate sensitivity is particularly significant within hydropower and plantation operations.
Strategy & Decision-making	How sustainability-related matters affect strategy and decision-making	3.4	SRROs and CRROs progressively inform business resilience, resource allocation, operational improvement, investment evaluation and long-term planning.
Response to Risks & Opportunities	Actions taken or planned in response to material risks and opportunities	3.1, 3.2, 3.4	Strategic responses are identified for individual SRROs and CRROs and integrated progressively into planning and operations.
Current Financial Effects	Current effects on financial position, performance and cash flows	3.5	Current effects are assessed qualitatively through revenue and cash flows, operating expenditure, assets and capital requirements, and long-term enterprise value.
Anticipated Financial Effects	Anticipated effects on financial position, performance and cash flows	1.5, 3.5	Applicable transitional relief has been applied. Detailed anticipated financial effects are therefore not disclosed for FY2025/26; capability for future assessment is being developed.
Climate Resilience	Resilience of strategy and business model to climate-related changes	1.5, 3.2, 3.4	Climate-related exposure and resilience considerations are assessed qualitatively; formal climate-resilience disclosure requirements are subject to the applicable transitional relief.
Climate Scenario Analysis	Use climate-related scenario analysis to inform resilience assessment	1.5, 5.3	Climate scenario analysis has not been undertaken for FY2025/26 under the applicable transitional relief. Future climate-risk assessment capability is being progressively developed.

D. RISK MANAGEMENT

Standard / Reference	Disclosure Requirement	Report Reference	Hunas Holdings FY2025/26 Response
SLFRS S1/S2 – Identification	Processes used to identify sustainability- and climate-related risks and opportunities	4.1	Identification draws on operational review, ESG data, environmental and compliance monitoring, specialised assessments, stakeholder engagement and external developments.
Assessment & Prioritisation	Processes used to assess identified risks and opportunities	4.2	Matters are assessed considering likelihood, magnitude, time horizon, business exposure, financial relevance and interconnections.
Risk Prioritisation	How identified matters are prioritised	4.2	High, Medium and Low assessment levels are used to support management attention and monitoring.
Management & Response	Processes used to manage identified risks and pursue opportunities	4.3	Responses are structured around Avoid, Mitigate, Adapt, Transfer/Share and Pursue.
Monitoring & Escalation	Processes for ongoing monitoring and escalation	4.4	Material matters are monitored through ESG data, operational management, compliance activities and management reporting, with escalation where required.
Integration with ERM	Extent of integration with overall enterprise risk management	4.5	Sustainability and climate assessment is progressively connected with enterprise risk management, strategy, operations, compliance, business continuity and capital/resource allocation.
Changes / Continuous Improvement	Development and changes in sustainability risk-management processes	4.6	Priorities include stronger documented methodologies, risk ownership, asset-level climate assessment, value-chain information, quantitative analysis and financial-planning linkages.
Climate-specific Assessment Inputs	Inputs considered in identifying and assessing climate-related risks	4.1–4.2	Current assessment uses operational experience, climate conditions, environmental information, compliance monitoring, business exposure and financial relevance.

E. METRICS & TARGETS — GENERAL

Standard / Reference	Disclosure Requirement	Report Reference	Hunas Holdings FY2025/26 Response
SLFRS S1 – Metrics	Metrics used to measure and monitor material sustainability-related risks and opportunities	5.1–5.3	Group sustainability, climate and operational metrics are disclosed and connected with identified SRROs and CRROs.
SLFRS S2 – Cross-industry Climate Metrics	Metrics relevant to climate-related risks and opportunities	5.1	Cross-industry climate metrics are reported, including GHG emissions and qualitative exposure to physical risks, transition risks and opportunities.
Industry-based Metrics	Metrics relevant to principal industry activities	5.2	Relevant metrics and management indicators are presented across five principal business sectors.
Targets	Sustainability- and climate-related targets established by the Group	5.3	Quantitative and qualitative targets have been established using FY2025/26 as the baseline year.
Performance Against Targets	Monitor progress against established targets	5.3	FY2025/26 is the baseline year; future performance will be assessed against the stated baselines and target periods.
Target Governance & Review	How targets are monitored, reviewed and updated	5.3	Targets will be monitored through the ESG data framework and operational management processes, with periodic review for changes in business activity, data quality, methodology, climate conditions and regulation.

F. SLFRS S2 CROSS-INDUSTRY METRIC CATEGORIES

Cross-Industry Requirement	Report Reference	Hunas Holdings FY2025/26 Response
Scope 1 GHG Emissions	5.1	181 tCO ₂ e
Scope 2 GHG Emissions	5.1	406 tCO ₂ e
Total Scope 1 + Scope 2	5.1	587 tCO ₂ e
Biogenic CO ₂ Emissions	5.1	1,123 tCO ₂ e, reported separately
Scope 3 GHG Emissions	1.5, 5.1	Not quantified for FY2025/26; applicable transitional relief applied.
GHG Measurement Approach	5.1	ISO 14064-1:2018 and GHG Protocol, supported by Group-wide operational activity data and applicable emission factors.
Assets / Activities Vulnerable to Physical Climate Risks	3.2, 5.1	Exposures identified qualitatively; percentage or monetary amount not yet quantified.
Assets / Activities Vulnerable to Transition Risks	3.2, 5.1	Transition exposures assessed qualitatively; quantitative exposure not yet determined.
Assets / Activities Aligned with Climate-related Opportunities	3.2, 5.1	Renewable-energy operations represent the clearest current opportunity; 17.27 GWh renewable electricity generated during FY2025/26.
Capital Deployment	5.1	Climate-related capital expenditure and financing not yet separately classified or quantified under a dedicated climate-capital framework.
Internal Carbon Price	5.1	No internal carbon price applied during FY2025/26.
Remuneration Linked to Climate Performance	5.1	No specific proportion of executive management remuneration formally linked to climate-related performance during FY2025/26.

G. INDUSTRY-BASED DISCLOSURES

Industry	Relevant Metric Areas Considered	Report Reference	FY2025/26 Response
Leisure & Hospitality	Energy • Water • Waste • Biodiversity • Climate resilience • Occupational H&S	5.2	Relevant operational metrics and management indicators are monitored; Hunas Falls biodiversity baseline established.
Renewable Energy	Renewable generation • Water/catchment dependency • Physical climate resilience • Environmental compliance	5.2	17.27 GWh renewable electricity generated; operational dependencies and physical climate exposure identified.
Plantations & Tea	Sustainable agriculture • Land stewardship • Green-leaf quality • Smallholder supply • Workforce H&S	5.2	TRI-recommended practices, quality-improvement activity, smallholder engagement and relevant operational indicators disclosed.
Logistics & Marine Services	Fuel • GHG emissions • Occupational H&S • Transition exposure	5.2	Relevant indicators monitored through the Group ESG framework.
Real Estate	Energy/resource use • Environmental compliance • Physical climate exposure	5.2	Applicable indicators and physical climate considerations monitored qualitatively through Group processes.

H. TRANSITIONAL & DEVELOPMENT AREAS

Area	FY2025/26 Status	Report Reference
Comparative sustainability-related information	Not presented for the first annual reporting period; applicable transitional relief applied	1.5
Scope 3 GHG emissions	Not quantified; applicable transitional relief applied; phased measurement targeted by FY2027/28	1.5, 5.1, 5.3
Anticipated financial effects	Applicable transitional relief applied; current financial effects assessed qualitatively and future quantification capability to be strengthened	1.5, 3.5
Climate resilience disclosure	Applicable transitional relief applied; climate-related exposures and resilience considerations currently assessed qualitatively	1.5, 3.2, 3.4
Climate scenario analysis	Not undertaken for FY2025/26 under applicable transitional relief; capability to be progressively developed	1.5, 5.3
Quantified physical climate-risk exposure	Qualitatively assessed; percentage and monetary exposure not yet quantified	5.1
Quantified transition-risk exposure	Qualitatively assessed; quantitative exposure not yet determined	5.1
Climate-related capital deployment classification	Not separately classified or quantified	5.1
Group-wide sustainability & climate targets	Initial quantitative and qualitative targets established using FY2025/26 as the baseline	5.3
Value-chain / Scope 3 data	Progressive expansion and improved data collection planned	3.3.6, 5.1, 5.3
Industry-specific metric coverage	Initial sector-specific metric framework established; further development planned as data maturity improves	5.2
ESG data & reporting controls	Group-wide ESG framework established; 100% reporting coverage across designated reporting entities targeted for FY2026/27	5.3

Capital Management



FINANCIAL CAPITAL

The Group continued to strengthen its financial performance during the year, despite a decline in revenue. Gross profit improved, reflecting the positive impact of the strategic disposal of certain business operations undertaken during the previous year, together with the Group's continued focus on improving operational efficiency.



The performance was achieved against a backdrop of significant environmental and geopolitical challenges, which affected the Group's various business sectors to differing degrees. Nevertheless, the Group remained focused on preserving financial resilience and enhancing operational performance.

Looking ahead, the Group will continue to maintain a sharp focus on cost optimisation, operational streamlining and disciplined capital allocation. These measures are expected to strengthen the Group's resilience, support sustainable growth and enhance long-term value creation for all stakeholders.

Revenue Analysis

Revenue - Growth and Contribution					
	2025/26	2024/25	YOY Growth	Sector wise Contribution	
				2026	2025
Mini hydro power	441,878,750	423,534,341	4%	51%	32%
Plantation	319,529,016	784,616,089	-59%	37%	59%
Leisure	112,190,196	126,587,205	-11%	13%	9%
Total	873,597,962	1,334,737,635	-35%	100%	100%

The Group generated revenue of LKR 873.6 million during FY2025/26. The decline compared to the previous year primarily reflects the strategic disposal of the Rainforest Tea Factory during FY2024/25, which had contributed approximately LKR 340 million to Group revenue in the prior year. Excluding the impact of this disposed operation, the underlying performance of the Group's continuing businesses remained resilient.

The Mini Hydro Power sector continued to demonstrate strong performance, recording a 4% increase in revenue to LKR 441.9 million and becoming the Group's largest revenue contributor, accounting for approximately 51% of total revenue. The sector continues to provide a stable and profitable income stream while strengthening the Group's exposure to renewable energy and supporting sustainable long-term growth.

The Plantation Sector generated revenue of LKR 319.5 million during the year. While revenue declined compared to the previous year, primarily due to the disposal of the Rainforest Tea Factory and lower volumes from continuing operations, the sector recorded a significant improvement in gross profitability and substantially reduced its net loss contribution to the Group compared to the previous year. This improvement reflects Management's continued focus on operational efficiency, cost optimisation and productivity enhancement.

The Leisure sector generated revenue of LKR 112.2 million during the year and operated in a challenging environment. Performance was adversely affected by the impact of Cyclone Ditwah, particularly during the peak tourism season, as well as global geopolitical developments that disrupted international travel patterns and tourism demand, including the escalation of the conflict between Israel and Iran and the involvement of several other countries.

Despite these temporary challenges, the Group's hospitality properties maintained their operations and remain well positioned to benefit from the continued recovery and long-term growth potential of Sri Lanka's tourism industry.

Profitability Analysis

Gross Profit - Growth and Contribution					
	2025/26	2024/25	YOY Growth	Sector wise Contribution	
				2026	2025
Mini hydro power	362,234,709	350,914,949	3%	82%	8%
Plantation	2,778,773	(53,585,562)	105%	1%	-164%
Leisure	77,487,940	88,478,163	-12%	18%	256%
Total	442,501,423	385,807,550	15%	100%	100%

A key highlight of the year was the significant improvement in Group profitability.

The Group recorded a gross profit of LKR 442.5 million, representing a 15% increase over the previous year despite the lower revenue base. This demonstrates the success of the Group's efforts to improve the quality of earnings and focus on higher-margin operations.

The Mini Hydro Power sector remained the strongest contributor to profitability, generating a gross profit of LKR 362.2 million and contributing approximately 82% of total Group gross profit. The sector continues to demonstrate the benefits of the Group's investments in renewable energy and its ability to generate strong and sustainable returns.

A particularly encouraging development during the year was the performance of Suriyakanda Plantations, which delivered a substantial turnaround in profitability from its mature plantation and tea factory operations, despite the significant adverse impacts of Cyclone Ditwah and unfavourable weather conditions. The Plantation sector moved from a gross loss of LKR 53.6 million in FY2024/25 to a gross profit of LKR 2.8 million in FY2025/26, reflecting the positive impact of operational improvements, rationalisation initiatives, and management's continued focus on enhancing efficiency, productivity and cost discipline across plantation operations.

This improvement highlights the effectiveness of the Group's restructuring efforts and the strengthening fundamentals of its continuing plantation business. However, the sector's future performance will remain dependent on rainfall patterns, weather fluctuations and other climatic conditions that influence agricultural productivity.

The Leisure sector generated a gross profit of LKR 77.5 million during the year. While this was lower than the previous year, the sector remained profitable in gross profit terms despite operational disruptions arising from Cyclone Ditwah and global travel uncertainties.

Management remains confident in the sector's medium- to long-term growth prospects, supported by the continued recovery of Sri Lanka's tourism industry and the strategic strengthening of the Group's hospitality portfolio. During the year, the Group further reinforced its sales and marketing capabilities through the establishment of a fully-fledged Sales and Marketing Team, alongside a range of additional initiatives currently underway across its hospitality portfolio. These initiatives are expected to strengthen market positioning, enhance revenue generation and support sustainable growth in the years ahead.

Financial Position

	2025/26	2024/25	YOY Growth
Non-Current Assets	5,015,813,105	5,212,245,441	-4%
Current Assets	458,683,367	315,057,869	46%
Total Equity	2,934,054,880	2,795,786,612	5%
Non Current Liabilities	1,637,391,842	1,281,966,557	28%
Current Liabilities	903,049,752	1,449,550,140	-38%

The Group's non-current assets decreased by 4% to LKR 5 billion as at 31 March 2026, compared to LKR 5.21 billion in the previous financial year. The decrease was primarily attributable to the disposal of a subsidiary during the year. Non-current assets mainly comprised approximately LKR 3.8 billion of Property, Plant and Equipment and LKR 1. billion of Biological Assets, together with Right-of-Use Assets, Intangible Assets and Investments in Associate Companies.

Current assets increased by 46% to LKR 458.7 million from LKR 315.1 million in the previous year. The increase was primarily attributable to a higher trade receivable balance arising from the Mini Hydro Power sector, together with movements in inventories and other current assets.

Total equity increased by 5% to LKR 2.93 billion, primarily reflecting the profit recognised during the year, including gains arising from the disposal of subsidiary and associate companies.

Non-current liabilities increased by 28% to LKR 1.63 billion, mainly due to an increase in restructured short-term and long-term borrowings and deferred tax liabilities, partly offset by a reduction in other interest-bearing borrowings following debt settlements.

Current liabilities decreased by 38% to LKR 903 million, mainly due to reductions in restructured short-term and long-term borrowings, trade payables, and balances with related parties.

Strengthening Financial Foundations

The Group's operating performance improved significantly during the year, supported by a stronger contribution from the Power sector, improved gross profitability within the Plantation sector and the benefits arising from portfolio optimisation initiatives. Finance costs also reduced substantially as a result of the successful renegotiation of interest rates and the restructuring of short-term facilities into longer-term debt, further strengthening the Group's overall financial position.

The Group reported a loss attributable to shareholders of LKR 27.7 million, while total equity stood at LKR 138 million as at the reporting date. The Group continued to focus on reducing current liabilities, optimising its borrowing structure and improving its overall gearing position. These initiatives are aimed at strengthening the Group's financial foundations and providing a more sustainable platform for its ongoing operations and future investment requirements.

Compared with the previous year, the Group significantly reduced its current liabilities and improved the structuring of its borrowings. These initiatives strengthened the Group's capital structure and financial resilience, providing a solid platform to pursue future growth and investment opportunities while creating sustainable long-term value for shareholders.

Future Outlook

Overall, the Group continued to demonstrate the resilience and quality of its diversified portfolio. The strong performance of the Renewable Energy sector, the improved profitability of the Plantation sector, and the promising long-term prospects of the Leisure sector, supported by several upcoming strategic collaborations, are expected to further strengthen the Group's ability to generate and preserve financial capital while creating sustainable long-term value for all stakeholders, notwithstanding the uncertainties and external factors that remain beyond the Group's control.



MANUFACTURED CAPITAL



Our manufactured capital forms a strong foundation for the Group's diversified operations, providing a competitive advantage across its key sectors. Through disciplined investment and continuous asset enhancement, the Group seeks to strengthen operational performance, create sustainable revenue streams, improve quality and productivity, and reduce its environmental footprint.

Strengthening Assets Across Core Sectors

Manufactured capital remains a key component of the Group's value creation, encompassing its hospitality properties, plantation assets, and renewable energy infrastructure. During FY 2025/26, the Group maintained a disciplined approach to capital investment, focusing on asset enhancement, operational efficiency, and long-term sustainability across its core sectors.

Leisure Sector

The Group continued the strategic repositioning of selected hospitality assets through targeted refurbishment and infrastructure improvements. Investments focused on enhancing guest experience, strengthening sustainability practices, and preparing properties for higher-value market segments, with particular emphasis on Hunas Falls Hotel, Boulder Gardens, and Aigburth Bungalow.



Hunas Falls Hotels

With a heritage spanning more than five decades, Hunas Falls Hotel comprises 28 deluxe rooms and three suites. It offers a range of curated experiences, including bird watching, boat rides, cycling, destination dining, children's activities, hiking and trekking. A comprehensive refurbishment is planned to reposition the hotel as a high-end luxury boutique property, featuring premium amenities and a full-service spa. Set within tranquil natural surroundings and supported by a 19-acre land bank, the property offers significant potential for future expansion and value enhancement.

Boulder Gardens Hotel



Boulder Garden is an exclusive boutique retreat nestled amidst the lush low-country tea country of Kalawana, bordering the UNESCO World Heritage-listed Sinharaja Rainforest. Established in 2003, the property features eight spacious suites that reflect traditional Sri Lankan character while integrating seamlessly with the surrounding tropical landscape. A defining feature of the resort is the Boulder Restaurant, built within a natural rock formation and recognised for its distinctive setting. Set across a privately owned five-acre estate, the property offers guests an immersive nature experience, with views of clear streams and dense rainforest vegetation.

Rainforest Hotel



Rainforest Edge Hotel, located on the periphery of the Sinharaja Forest Reserve, offers an immersive nature-based retreat defined by its cool climate and tranquil rainforest setting. With 16 thoughtfully designed rooms, the property provides a distinctive hospitality experience in the region, with a particular focus on wellness and nature tourism. Its offerings include Ayurveda-inspired wellness programmes, yoga and meditation retreats, complemented by the surrounding rainforest environment. The property also incorporates a tea estate and two dedicated communal spaces, providing an ideal setting for private retreats, intimate gatherings, and curated wellness experiences.

Aigburth Bungalow



Aigburth Bungalow, dating back to 1925, is a distinguished heritage property reflecting the architectural character of Liverpool's historic Aigburth district. Set within an estate adjoining the Sinharaja Rainforest, a UNESCO-recognised biodiversity hotspot, the bungalow occupies a scenic elevated location with expansive views stretching towards the Galle Lighthouse. Its traditional interiors, complemented by landscaped surroundings and panoramic viewpoints, preserve the character of a bygone era while providing an immersive connection with the natural environment. Today, Aigburth Bungalow represents a unique convergence of Sri Lanka's colonial heritage, plantation history, and exceptional ecological surroundings.

Power Sector

The Group continued to strengthen the reliability and efficiency of its mini-hydro portfolio through planned maintenance, equipment optimisation, and improvements to operational monitoring systems. These initiatives support regulatory compliance, improve plant performance, and reinforce the Group’s position as a responsible renewable energy producer.

Sustainable Energy Holdings (PVT) Ltd



Project Name
Galabodawatta Mini Hydro Power Project

Capacity – 3Mw
River – Huluganga

Eratne Power Company (PVT) Ltd



Project Name
Binwatura Mini-Hydro Power Project

Capacity - 650Kw
River - Binathura Ela

Kuruganga Hydro Power (PVT) Ltd



Project Name
Marukanda Mini-Hydro Power Project

Capacity – 1.8Mw
River – Kuru Ganga

Real Estate

The Group’s real estate portfolio represents a significant opportunity to unlock further value from its existing land assets. Looking ahead, the Group will focus on selectively developing these assets through carefully structured projects that leverage their location, scale and inherent potential. These developments are expected to create new revenue streams, enhance the value of the Group’s asset base and support sustainable long-term growth.



Hunas Properties (PVT) Ltd

The Group’s portfolio includes approximately over 100 acres of strategically positioned land**, offering significant potential for future real estate development and serving as a key platform for long-term growth and value creation.

Plantations Sector

Investment in plantation infrastructure remained focused on improving productivity, resilience, and operational efficiency. Key initiatives included factory and irrigation upgrades, soil rehabilitation, and selective mechanisation, supporting the Group's transition towards more sustainable and climate-resilient agricultural practices while preserving employment and strengthening long-term asset productivity.

Suriyakanda Plantations (PVT) Ltd

Established in 1925, Aigburth Estate encompasses approximately 2,148 acres of tea-growing land, supported by an operational tea factory and a distinctive century-old Scottish manor. Located on the edge of the Sinharaja Rainforest, a UNESCO World Heritage Site, the estate combines significant agricultural value with a rich natural and historical setting.

Situated between 640 and 1,050 metres above sea level, Aigburth benefits from a distinctive microclimate shaped by the contrasting climatic influences of the Hambantota region and the Sinharaja rainforest. This unique environment contributes to the character and quality of its tea while enhancing the estate's broader potential as a destination that brings together plantation heritage, biodiversity, and natural landscapes.



HUNAS CONSUMER

During FY 2025/26, Hunas Consumer continued to strengthen its premium tea portfolio through product innovation, enhanced packaging, and brand development initiatives centred on the Aigburth Tea brand.

A key initiative during the year was the Aigburth Tea Canister Project, introduced to elevate product presentation and reinforce the brand's premium positioning. The project featured selected speciality grades, including Aigburth BOPSP, FBOPFSP, Silver Tips, and Golden Tips. In addition, the premium FBOPFexsp grade was introduced in 2025 as the highest-priced Aigburth tea offering, further expanding the brand's speciality tea range.

To commemorate 100 years of Aigburth's heritage, the Group also launched a limited-edition 200g loose-leaf tea pack. The initiative celebrated the brand's longstanding plantation heritage while providing a distinctive offering for consumers and collectors.

Together, these initiatives strengthened Aigburth's premium market positioning, enhanced brand visibility, and supported the Group's strategy of increasing value through product differentiation and premiumisation within its consumer business.



Strategic Priorities for the Year

Accelerate the transformation of the leisure portfolio through the repositioning and redevelopment of selected properties into distinctive, high-value hospitality destinations, including the advancement of the Group's strategic partnership with Adriaan Zecha.

Diversify and scale the renewable energy portfolio by progressing solar energy initiatives alongside the existing hydro-power assets, with a focus on long-term energy security, operational efficiency, and sustainable growth.

Unlock greater value from the Group's land and plantation assets through targeted investment, modernisation, and productivity enhancements, while strengthening value-added processing and premium product development.

Develop logistics and marine services as strategic growth platforms, creating greater integration with the Group's hospitality, plantation, real estate, and export activities while expanding opportunities across domestic and international markets.

Strengthen the resilience and productivity of the Group's asset base through disciplined capital allocation, selective asset enhancement, and the optimisation of underutilised assets.

FUTURE OUTLOOK

Looking ahead, the Group will focus on transforming its existing asset base into stronger, more productive and sustainable platforms for long-term growth**. The strategy for the coming financial year will centre on disciplined capital deployment, portfolio optimisation, operational integration, and the development of new revenue streams across the Group's core sectors.

In the leisure sector, the Group will continue the repositioning of selected properties through targeted refurbishment, brand partnerships, and experience-led development, with the objective of creating distinctive boutique destinations capable of generating stronger and more sustainable returns. The Group will also explore opportunities to unlock the value of its land holdings through carefully structured hospitality and real estate developments.

Within plantations, the focus will remain on improving productivity, strengthening sustainable agricultural practices, and expanding value-added processing. Greater emphasis will be placed on premiumisation and market development, including the continued growth of the Aigburth Premium Tea proposition, while ensuring that the Group's plantation assets remain commercially resilient and environmentally responsible.

In renewable energy, the Group will progress its solar development pipeline while continuing to optimise the performance of its hydro-power portfolio. The objective is to build a more diversified and resilient renewable energy platform that supports long-term earnings stability while contributing to Sri Lanka's transition towards cleaner energy.

The Group will also seek to scale its logistics and marine services capabilities, positioning these businesses as important enablers of the wider portfolio. Greater integration with the Group's plantation, real estate, hospitality, and export activities is expected to create opportunities for operational synergies, improved supply-chain efficiency, and new sources of revenue.

Across the Group, the emphasis will remain on repositioning assets, strengthening operational foundations, and creating sustainable avenues for growth. Capital allocation will be guided by commercial discipline, resilience, and long-term value creation rather than growth for its own sake.

As the Group moves into the next phase of its journey, it remains committed to building a more agile, diversified and future-ready enterprise. By combining responsible investment, innovation, sustainability and disciplined execution, the Group aims to deliver enduring value to shareholders and other stakeholders while contributing meaningfully to Sri Lanka's economic development.

HUMAN CAPITAL

Empowering Our People to Create Sustainable Value

Our people are fundamental to the performance, resilience and long-term value creation of Hunas Holdings PLC. Across our diversified businesses, employees contribute the knowledge, technical expertise, operational capability and service excellence required to deliver our business objectives and create value for stakeholders.

We recognise that sustainable business performance depends on our ability to attract, develop, engage and retain capable people while providing a safe, inclusive and responsible working environment. Our Human Capital approach therefore extends beyond workforce management to encompass employee development, diversity and inclusion, health and safety,

well-being, fair employment and respect for human rights.

During FY2025/26, we continued to strengthen Human Capital management through workforce monitoring, learning and development, employee welfare, occupational health and safety practices and improved collection of people-related information across the Group.

1. OUR APPROACH TO HUMAN CAPITAL

Our Human Capital approach is centered on creating an environment where employees can contribute effectively, develop their capabilities and participate in the Group's long-term success. It is built around six interconnected priorities.

Our Priority	Our Approach
<i>Attract & retain</i>	Attract capable people and support workforce stability through responsible recruitment, fair employment practices, employee engagement and opportunities for career progression.
<i>Develop & empower</i>	Build technical, professional and leadership capabilities through training, knowledge sharing and continuous development.
<i>Diversity, Equity & Inclusion</i>	Promote equal opportunity, respect and inclusion while recognising the value of a diverse workforce.
<i>Health, Safety & Well-being</i>	Protect employees through preventive safety management, workplace awareness, incident monitoring and employee welfare initiatives.
<i>Engage & support</i>	Maintain constructive employee relationships through communication, engagement, welfare support, feedback and grievance mechanisms.
<i>Human Rights & Responsible Employment</i>	Respect human and labor rights, uphold non-discrimination and maintain responsible employment practices in accordance with applicable requirements.

Creating Value Through Our People

Our investment in people supports a direct value-creation pathway:



2. HUMAN CAPITAL AT A GLANCE

This section should provide only the headline indicators. The detailed gender, age, category, recruitment and turnover breakdowns should appear later.

FY2025/26 Human Capital Snapshot

Key Indicator	FY2025/26
Total Workforce	235
Female Employees	72
Female Workforce Representation	30.6%
Local Community Employees	161
Employees with Disabilities	2
Employee Retention Rate	68.35%
Employee Turnover Rate	31.78%
Training Hours	543
Staff Welfare Programmes	31
Workplace Injuries	2
Lost Working Days	13
Fatalities	0
TRIR	0.55
LTIR	0.55

3. OUR WORKFORCE

Our workforce brings together diverse skills, experience and operational capabilities across the Group's business activities. Understanding workforce composition enables us to support effective workforce planning, identify capability requirements and monitor diversity and employment trends.

During FY2025/26, the Group strengthened the collection and consolidation of Human Capital information to provide greater visibility over workforce composition and people-related performance.

Workforce Composition

Employee Category	Male	Female	Total	% of Workforce
C Suite	2	—	2	1%
Management	13	1	14	6%
Executive	17	5	22	9%
Non-executive / Operational	131	66	197	84%
Total	163	72	235	100%

Workforce by Age

Age Group	Workforce	%
18–30 years	28	12%
31–55 years	172	73%
Above 55 years	35	15%
Total	235	100%

Employment Profile

Employment Category	Male	Female	18–30	31–55	Above 55	Total	% of Workforce
Permanent	91	55	8	109	28	146	62.1%
Probation	1	—	1	—	—	1	0.5%
Contract	58	14	4	61	7	72	30.6%
Casual	—	—	—	—	—	—	0.0%
Trainee	13	3	15	1	—	16	6.8%
Total	163	72	28	172	35	235	100%

4. DIVERSITY, EQUITY & INCLUSION

We recognise that diversity of experience, knowledge and perspectives contributes to stronger organizational capability. Our approach is centered on equal opportunity, fairness, dignity and respect, while seeking to provide an inclusive workplace in which employees can contribute and develop.

Employment-related decisions are expected to be based on legitimate business requirements, capability and performance, without inappropriate discrimination.

Indicator	FY2025/26
Female employees	72
Female representation	30.6%
Female board representation	33.3%
Employees below 30	12%
Employees aged 31–55	73%
Employees above 55	15%
Employees with disabilities	2

5. TALENT ATTRACTION & RETENTION

Attracting and retaining capable employees supports operational continuity, institutional knowledge, service quality and the Group's ability to respond to changing business requirements.

The Group monitors recruitment, employee movement, turnover and retention to understand workforce trends and identify areas requiring management attention.

5.1 NEW EMPLOYEE HIRES

Employment Category	Male	Female	Total	% of New Hires
Management	7	—	7	10%
Executive	7	1	8	11%
Non-executive	44	14	58	79%
Total	58	15	73	100%

5.2 EMPLOYEE TURNOVER

Employment Category	Male	Female	Total	Turnover Rate
Management	6	—	6	2.54%
Executive	7	2	9	3.81%
Non-executive	47	13	60	25.42%
Total	60	15	75	31.78%

Reporting Scope: Human capital indicators presented in this section relate to employees on the Group payroll as at 31 March 2026. The Group also engages casual workers based on operational requirements, who are not included in the reported employee figures unless otherwise stated.

5.3 EMPLOYEE RETENTION

Attracting and retaining capable employees is important to maintaining operational continuity, institutional knowledge, service quality and organizational capability across the Group's diversified businesses. Employee retention and turnover are therefore monitored as key Human Capital indicators.

During FY2025/26, the Group recorded an employee retention rate of 68.35% and an employee turnover rate of 31.78%. The level of turnover indicates an area requiring increased management attention, particularly given the importance of retaining experienced and skilled employees within operational and specialist roles.

Retention Indicator	FY2025/26
Employee Retention Rate	68.35%
Employee Turnover Rate	31.78%

The Group recognises that employee movement may be influenced by a combination of factors, including career opportunities, remuneration and benefits, workplace experience, employee expectations, labor-market conditions and the differing operational characteristics of the Group's businesses. The detailed turnover profile will therefore be monitored across relevant employee categories to better identify areas of concentration and underlying workforce trends.

Going forward, the Group will focus on strengthening employee engagement, career and capability development, workplace well-being, recognition and retention practices, while using improved Human Capital data to identify functions and employee groups where targeted interventions may be required.

The FY2025/26 results provide an important baseline for developing a more structured approach to talent retention and workforce stability in subsequent reporting periods.

6. LEARNING & DEVELOPMENT

Learning and development supports the Group in maintaining a capable, adaptable and responsible workforce across its diversified operations. During FY2025/26, the Group recorded 543 hours of training and development, addressing operational, professional, safety and sustainability-related competencies.

Training and awareness activities covered areas including technical and operational skills, occupational health and safety, sustainability and ESG awareness, biodiversity and environmental conservation, guest service, leadership and supervisory development. Within the plantation operations, capability-building also supported tea quality improvement, sustainable agricultural practices, sustainable green-leaf supply and improved plantation practices, including knowledge aligned with guidance from the Tea Research Institute (TRI).

Learning & Development Indicator	FY2025/26
Total Training Hours	543 hours
Operational & Professional	Technical skills • Guest service • Leadership & supervisory development
Safety & Well-being	Occupational H&S • First aid • Wildlife/nature awareness
Sustainability & Environment	ESG awareness • Biodiversity • Environmental conservation
Plantation Capability	Tea quality • Sustainable agriculture • Green-leaf quality & supply • TRI-aligned practices

Going forward, the Group will strengthen training-needs identification, participation tracking and competency development, with greater emphasis on capabilities supporting operational performance, safety, sustainability and climate resilience.

7. EMPLOYEE ENGAGEMENT & WELL-BEING

Hunas Holdings recognises that employee engagement and well-being contribute to workforce stability, motivation, productivity and positive workplace relationships. Across the Group, employee support is provided through welfare, health, recognition, communication and engagement initiatives suited to the needs of individual operations.

During FY2025/26, the Group conducted 31 staff welfare and engagement programmes. These included employee health and medical initiatives, staff awareness and engagement activities, employee recognition, staff celebrations and other welfare support. Within plantation operations, initiatives included quarterly medical camps, employee awareness programmes and monthly recognition of best tea pluckers through division-wise awards and gift vouchers, supporting employee health, motivation and performance.

Focus Area	FY2025/26 Approach
Employee Welfare	31 welfare and engagement programmes across Group operations
Health & Well-being	Medical and health-related initiatives, including quarterly medical camps within plantation operations
Recognition & Motivation	Employee recognition initiatives, including monthly best tea Plucker awards and gift vouchers

Engagement & Communication	Staff awareness, workplace communication and employee engagement activities
Workplace Culture	Staff celebrations and initiatives supporting employee relationships and belonging
Employee Support	Welfare assistance and support responsive to employee and operational needs

Going forward, the Group will seek to strengthen the connection between employee feedback, welfare initiatives and identified workforce needs, while improving the monitoring of engagement and well-being outcomes to support a more engaged and resilient workforce.

8. OCCUPATIONAL HEALTH & SAFETY

Protecting the health and safety of our people is a fundamental operational responsibility. The Group seeks to maintain safe working environments through hazard identification, preventive controls, employee awareness, training, incident reporting and corrective action.

Health and safety risks vary across our businesses, particularly given the operational characteristics of plantations, renewable-energy facilities, hospitality and other activities. Safety responsibilities are therefore managed at operational level while key indicators are monitored at Group level.

FY2025/26 Safety Performance

Indicator	FY2025/26
Workplace injuries	2
Lost working days	13
Fatalities	0
TRIR	0.55
LTIR	0.55
Occupational diseases	0
H&S training Sessions	2

9. HUMAN RIGHTS & RESPONSIBLE EMPLOYMENT

Hunas Holdings is committed to maintaining responsible employment practices founded on fairness, dignity, equal opportunity and respect for human and labour rights. The Group seeks to provide workplaces free from discrimination, forced labour, child labour and other practices inconsistent with applicable labour requirements and responsible business conduct.

During FY2025/26, no incidents were recorded across the Group's monitored responsible employment indicators.

The Group will continue to support responsible employment through non-discrimination, fair employment practices, accessible grievance mechanisms and compliance with applicable labour requirements, while maintaining appropriate monitoring across its operations.

10. REMUNERATION, BENEFITS & EMPLOYEE SUPPORT

Hunas Holdings seeks to maintain fair and responsible remuneration and benefit practices that recognise employee roles, responsibilities and contributions while supporting workforce well-being and retention. Remuneration practices are administered in accordance with applicable labour requirements and the employment conditions relevant to the Group's diverse operations.

In addition to remuneration, employees receive statutory benefits and other welfare and employment-related support applicable to their respective employment categories and business units. Employee support is complemented by the health, welfare, recognition and engagement initiatives described in the preceding section.



Focus Area	Our Approach
Fair Remuneration	Remuneration aligned with roles, responsibilities, employment conditions and applicable requirements
Statutory Benefits	Provision of applicable statutory employment benefits and contributions
Leave & Entitlements	Leave and employment entitlements provided in accordance with applicable requirements and Group practices
Recognition	Recognition of employee contribution and performance through relevant operational initiatives
Employee Welfare	Welfare and well-being support responsive to employee and operational needs
Employment Support	Employee assistance and other benefits provided according to employment category and business context

The Group will continue to review its remuneration, benefits and employee-support practices with consideration for employee well-being, retention, internal fairness, labour-market conditions and sustainable workforce management.

11. HUMAN CAPITAL TARGETS

Building on the FY2025/26 Human Capital baseline, Hunas Holdings will progressively strengthen measurable targets focused on workforce stability, employee development, occupational health and safety, diversity and responsible employment. Targets are intended to support continuous improvement while remaining responsive to the differing workforce requirements of the Group's businesses.

Focus Area	FY2025/26 Baseline	Target / Commitment	Timeline
Employee Retention	68.35%	Improve retention to $\geq 75\%$	FY2028/29
Employee Turnover	31.78%	Reduce turnover to $\leq 25\%$	FY2028/29
Workplace Fatalities	0	Maintain zero fatalities	Annual
TRIR	0.55	Reduce and maintain at < 0.50	FY2028/29
LTIR	0.55	Reduce and maintain at < 0.50	FY2028/29
Learning & Development	543 training hours	Increase annual training hours by 25% from the FY2025/26 baseline	FY2028/29
Female Representation	30.6%	Increase female workforce representation to $\geq 32\%$	FY2028/29
Responsible Employment	0 recorded incidents across monitored indicators	Maintain zero incidents of human-rights violations, discrimination, child labour and forced labour	Annual

12. WAY FORWARD

Looking ahead, our Human Capital priorities will focus on strengthening the capabilities, engagement and resilience of our workforce while continuing to provide safe, inclusive and responsible workplaces.

Our priorities include strengthening technical and leadership capabilities,

improving talent and succession management, reinforcing preventive health and safety practices, enhancing employee engagement and well-being, promoting diversity and equal opportunity, and strengthening Human Capital data and analytics.

These priorities will support the Group's ability to attract, develop and retain the people required to deliver sustainable long-term value.

Contributing to SDGs

We are aligning our 2025-2026 strategic roadmap with these targets.



Human Capital Value Creation Model

Using an integrated reporting capital framework, we demonstrate how targeted investments yield direct strategic outputs

HR DEVELOPMENT PILLAR <i>Recruitment & Selection Policy:</i> Ensures objective, merit-based hiring across all Group companies. <i>Performance Management Policy:</i> Governs annual KPI setting, mid-year reviews, and appraisals. <i>Recognition & Rewards Policy:</i> Establishes financial & non-financial merit incentives. <i>Succession Planning Policy:</i> Identifies and prepares key talent for critical leadership roles. <i>Employee Retention Policy:</i> Proactive retention tools and career progression plans. <i>Employee Engagement Policy:</i> Structures two-way communication and feedback channels.	ETHICS & CONDUCT PILLAR <i>Grievance Handling & Disciplinary Policy:</i> Provides a fair, confidential channel for workplace conflict resolution. <i>Whistleblower Policy:</i> Protects reporting of financial or ethical non-compliance. <i>Information Technology Policy:</i> Governs cybersecurity, data privacy, and systems usage. <i>AI & Digital HR Ethics Policy:</i> Sets ethical boundaries for AI tools in recruitment and evaluation.
GREEN HR PILLAR <i>Green Workplace Policy:</i> Drives paperless digital workflows, waste segregation, and energy management. <i>Volunteering & CSR Policy:</i> Grants paid volunteer leave for environmental and community projects.	WELL-BEING & INCLUSION PILLAR <i>Parental Leave Policy:</i> Structured maternity and paternity leave supporting working parents. <i>Anti-Bullying & Zero Violence Policy:</i> Enforces zero tolerance for harassment or discrimination. <i>Psychological Safety Policy:</i> Institutionalizes EAP access, stress care, and mental health support.



OUR PEOPLE FRAMEWORK

At Hunas Holdings PLC, our HR policies are more than a set of guidelines they define the environment in which our people grow, perform and contribute responsibly. They translate our Human Capital philosophy of Clarity, Competence and Commitment into everyday practice, helping employees understand what is expected of them, build the capabilities they need and stay engaged in achieving shared goals.

Our approach begins with developing our people. Through our HR Development framework, we attract the right talent, build capability, recognize performance, create pathways for career progression and strengthen employee engagement and retention. These practices ensure that employees are equipped not only to excel in their current roles, but to grow into greater responsibilities and shape the future of the Group.

We believe a strong organization is built on responsible conduct and ethical behavior. Our initiatives on grievances, discipline, whistleblowing, information technology, and AI & digital HR ethics give employees a clear framework to act with integrity, accountability and respect ensuring they understand not only what they are expected to achieve, but how they are expected to achieve it.

At the same time, sustainable performance is only possible when our people are supported and cared for. Our employee well-being initiatives are focused on building a safe, respectful, inclusive and supportive workplace — covering parental support, psychological health and safety, diversity and inclusion, prevention of harassment and bullying, workplace violence, and flexible working arrangements.

Our commitment extends beyond the workplace. Through Green HR initiatives including our Green Workplace and Employee Volunteering & Community Service, we encourage employees to contribute to environmental responsibility and to the communities in which we operate, connecting our people agenda to our broader ambition of building a sustainable organization.

Together, these initiatives form a people framework where development, responsible conduct, well-being and sustainability work hand in hand. We are building not simply a workforce, but a culture where people are encouraged to grow, expected to act responsibly, supported to thrive, and empowered to deliver sustainable results.



DIGITAL TRANSFORMATION & INDUSTRY 4.0 INTEGRATION

In FY 2025/26, Hunas Holdings accelerated the digitalization of both HR and core sector operations:

Group-Wide Digital Literacy Program

Implemented a cloud learning platform training employees on data analytics, cybersecurity, and operational automation. Tailored sector learning includes Property Management Systems (PMS) in Hospitality, Smart Grid Analytics in Renewable Energy, and Agribusiness Mobile Tech in Plantations.

AI-Driven Operational & HR Analytics

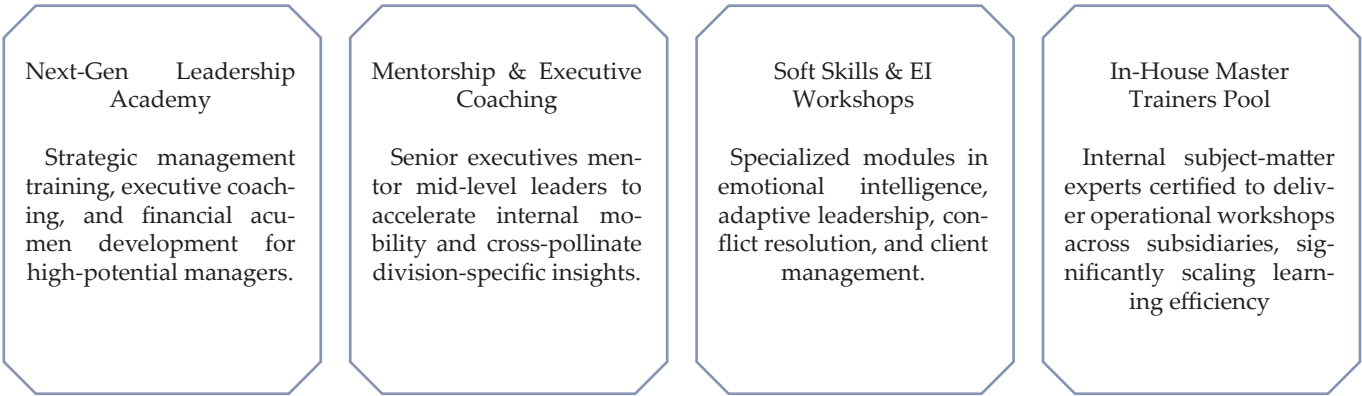
Integrated predictive maintenance diagnostics across hydro/solar plants while leveraging predictive workforce analytics under our AI & Digital HR Ethics Policy.

Self-Service Cloud HR

Automated payroll, leave management, and performance appraisals, cutting administrative turnaround time and reducing paper consumption.

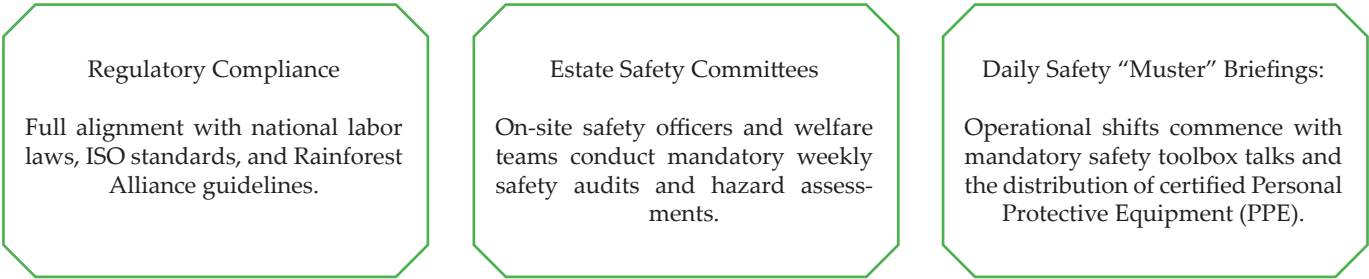
TALENT DEVELOPMENT & LEADERSHIP PIPELINE

To maintain our competitive advantage across diverse operating sectors, we invest heavily in internal capabilities:



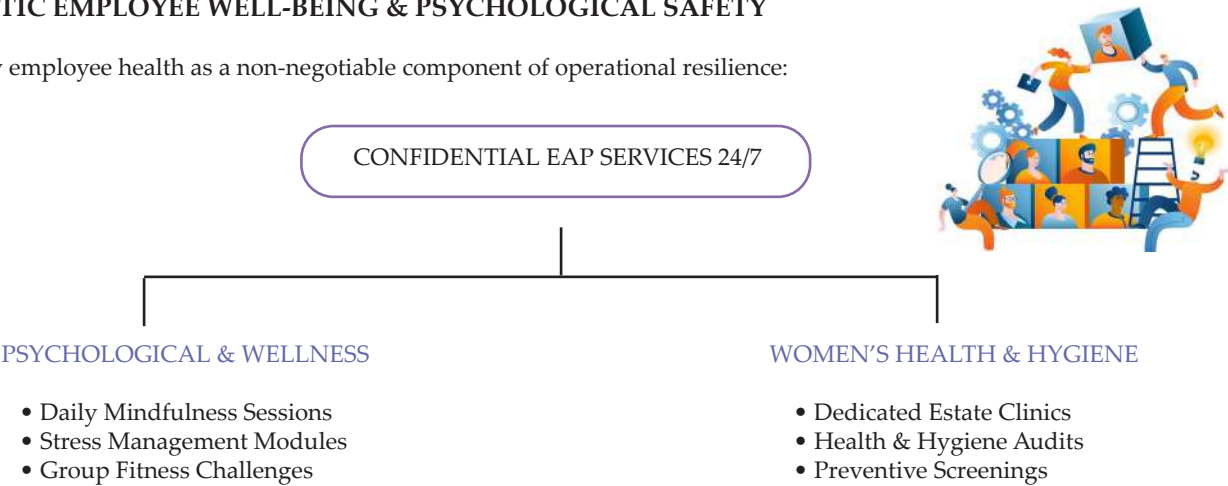
OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT (OHSE)

Occupational safety remains paramount across all field operations, processing plants, and hospitality venues:



HOLISTIC EMPLOYEE WELL-BEING & PSYCHOLOGICAL SAFETY

We view employee health as a non-negotiable component of operational resilience:



EMPLOYEE ENGAGEMENT & COMMUNITY IMPACT

We maintain open communication channels to drive high engagement levels and organizational unity:

Communication Channels

Formal

Weekly Executive Town Halls, Annual Sentiment Surveys, Bi-Annual Performance Dialogues, and Enterprise Grievance Portals.

Informal

Cultural festival celebrations, annual sports/quiz nights, quarterly Employee of the Month/Year awards.

OUR FUTURE COMMITMENT

Looking ahead, our Human Capital priorities will focus on strengthening the capabilities, engagement and resilience of our workforce while continuing to provide safe, inclusive and responsible workplaces.

Our priorities include strengthening technical and leadership capabilities, improving talent and succession management, re-inforcing preventive health and safety practices, enhancing employee engagement and well-being, promoting diversity and equal opportunity, and strengthening Human Capital data and analytics.

These priorities will support the Group's ability to attract, develop and retain the people required to deliver sustainable long-term value.



SOCIAL AND RELATIONSHIP CAPITAL

Our people, partners, and the communities surrounding our estates, hydropower catchments, and hospitality properties are the driving force behind Hunas Holdings’ resilience and growth. Social and Relationship Capital encompasses the quality of the relationships we build and sustain with every stakeholder group that shapes, and is shaped by, our business employees, guests, business partners, suppliers, local communities, and regulatory bodies.

FY 2025/26 marked a decisive shift from stabilization to consolidation across our plantation, leisure, and power sectors. This maturing of our underlying businesses was mirrored in a more structured approach to stakeholder engagement. From prioritizing local employment around our estates to formally establishing a dedicated Sustainability division with a mandate for biodiversity and community stewardship, the Group deepened the frameworks that translate good intentions into consistent, accountable practice.

Social and Relationship Strategy

Our overarching strategic objective remains to cultivate and strengthen enduring relationships with all stakeholders, actively creating shared value that benefits both our business and local communities. We build our brand reputation by upholding ethical and transparent conduct across all touch points whether engaging a guest at Hunas Falls Hotel, a smallholder supplying green leaf to the Aigburth tea factory, or a village community near our mini hydropower plants. In doing so, we secure and reinforce our social license to operate the ongoing acceptance and trust extended to us by the communities and authorities on whose cooperation our business depends.

Strategic Priorities

Our Social and Relationship Capital strategy is guided by the following strategic priorities

Customer Commitment	Supply Chain Continuity	Community Development	Strengthening Partnerships	Compliance
Ensuring guest and customer satisfaction while building long-term loyalty through exceptional service and unique experiences remains foundational. In hospitality, establishing central Sales, Digital Marketing, and Central Reservations functions enabled a consistent, personalized experience across all four properties. In plantations, our retail brand, Aigburth Ceylon, brought us into a direct relationship with individual tea drinkers locally and in export markets, shifting us toward a more relational customer commitment model.	Fostering strong, ethical, and mutually beneficial partnerships underpins operational continuity across all sectors. In plantations, this involves working with agricultural input providers, smallholders, and packaging/logistics partners for our Aigburth Ceylon retail brand and white-label manufacturing. In hospitality, we prioritize local farmers and artisans. In the power sector, relationships with equipment manufacturers and maintenance providers proved critical in managing landslide damage sustained by Weswin Power Gahala during Cyclone Ditwah.	Building resilient communities through meaningful investment and social initiatives is central to our operations. During FY 2025/26, the Group prioritized local recruitment for skilled and unskilled roles across plantation and hydropower operations, delivering a durable impact on household incomes and local livelihoods.	Actively engaging with channel partners, regulators, and industry associations drives shared growth. Industry specialists joining our consolidated Sales, Digital Marketing, and Reservations teams strengthened relationships with travel trade partners as Sri Lanka targets 3 million arrivals in 2026. In plantations, key industry hires bolstered our standing in Ceylon tea buying circles.	Upholding the highest standards of ethics, transparency, and regulatory compliance is non-negotiable. This spans customer health and safety, marketing communications, data privacy, labor practices, and environmental regulation across all operating sectors, overseen by our Board governance structures.

Key Components of our Social and Relationship Capital

Our stakeholder-centric approach is focused on creating shared value with the following key groups

Employees: The lifeblood of our organization—spanning hotel teams at Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel, and Aigburth Villa; hydropower engineers in Sabaragamuwa and Central Provinces; plantation workers at Suriyakanda Plantations and the Aigburth tea factory; and corporate support staff. In FY 2025/26, the Group strengthened Finance and HR functions with experienced hires to invest in capability ahead of the growth curve.

Guests and Customers: Hospitality guests expanded alongside Sri Lanka’s record 2025 calendar year arrivals (2.36 million arrivals; USD 3.2 billion in earnings). Plantation customers include traditional bulk auction buyers, white-label partners, and retail consumers of Aigburth Ceylon. Hydropower customers comprise state utilities and institutional energy buyers.

Business and Channel Partners: Includes tour operators, travel agents, corporate clients, OTAs, tea brokers, distributors, and grid operators. The new central Sales and Reservations functions now offer channel partners a single, coordinated point of contact across all four hotel properties.

Suppliers and Service Providers: Ranging from local farmers and craftsmen to specialized equipment manufacturers and technical maintenance teams. These partnerships ensured operational recovery and resilience following the landslide disruption at Weswin Power Gahala.

Local Communities: Surrounding residents near our properties, including those adjacent to sensitive ecosystems like the Sinharaja Rainforest (Suriyakanda Plantations, Boulder Gardens, Rainforest Edge) and the Knuckles Mountain Range (Hunas Falls Hotel).

Government, Regulators, and Industry Bodies: National and regional authorities overseeing tourism, energy, agriculture, environmental protection, and labor practices.



Governance, Compliance, and Risk Management

We manage Social and Relationship Capital in line with established Group policies, systems, and processes. During the reporting period, there were zero reported incidents of corruption, fraud, or non-compliance regarding socioeconomic laws, customer health and safety, marketing communications, or data privacy. Relationship-related risks—including reputational, regulatory, and community risks—are integrated into the Group’s broader Risk Management Framework with regular oversight from the Board of Directors.



NURTURING CUSTOMER AND GUEST RELATIONSHIPS

We deliver authentic experiences connecting visitors with local culture and nature while prioritizing guest safety, privacy, and satisfaction.

- Consolidated Touchpoints: The central Sales, Digital Marketing, and Reservations divisions established during FY 2025/26 streamline pre-arrival, stay, and post-stay guest communication.
- Direct-to-Consumer Evolution: In plantations, expanding Aigburth Ceylon retail lines (including BOP Specials, FBOPF Specials, Silver Tips, and Golden Tips) connects the Group directly to end consumers through provenance and quality storytelling.
- Feedback Systems: Utilizing formal and informal feedback mechanisms (digital platforms and on-site reviews) to maintain high customer satisfaction and transparent pricing.

FOSTERING SUPPLIER RELATIONSHIPS

We view suppliers as strategic partners, adhering to fair, transparent, and ethical practices.

- Ethical Sourcing & Screening: Supplier selection involves strict due diligence, including screening for child or forced labor, compliance with environmental regulations, and technical/cost evaluation.
- Local Sourcing Priority: Prioritizing regional agricultural input providers, local farmers, and craftsmen to support community economies and reduce transportation footprints.
- Technical Maintenance Partnerships: Maintaining long-term relationships with equipment manufacturers and technical specialists to safeguard grid stability and rapidly restore operations after natural events.

SUSTAINABILITY DIVISION AND STAKEHOLDER TRUST

A key structural development in FY 2025/26 was the formal launch of the Group's dedicated Sustainability division.

- Ecosystem Stewardship: Given our proximity to the Sinharaja Rainforest and Knuckles Mountain Range, the division leads science-driven biodiversity measurement, environmental record-keeping, and conservation action.
- Social License & Transparency: Science-backed environmental management reinforces trust with surrounding communities, environmental regulators, and eco-conscious guests and tea buyers who value verifiable ESG credentials.

COMMUNITY DEVELOPMENT AND SOCIAL IMPACT

The Group creates lasting economic and social value across its operational catchments:

- Local Employment & Skill Building: Prioritizing local recruitment across plantations and hydropower plants, coupled with vocational skills training for local youth.
- Infrastructure & Community Support: Historical support through local infrastructure (roads, bridges, community facilities) continued, with focused engagement in catchment areas affected by Cyclone Ditwah.
- Environmental & Volunteer Initiatives: Tree-planting drives in watershed areas, ecosystem restoration projects, and employee-led community clean-up programs coordinated via the Sustainability division.

FUTURE OUTLOOK FOR FY 2026/27

Looking ahead, our Social and Relationship Capital strategy will be guided by two main drivers:

1. Sophisticated Engagement: Leveraging consolidated commercial functions and the Sustainability division to drive accountable, measurable stakeholder outcomes.
2. Demonstrable Commitments: Meeting rising expectations from guests, international tea buyers, regulators, and local communities for verified ESG practices.

As Sri Lanka targets 3 million tourist arrivals in 2026 and Aigburth Ceylon expands its international retail presence, deepening our stakeholder relationships will serve as a primary source of competitive differentiation and sustainable growth.

NATURAL CAPITAL

Protecting Nature, Managing Resources and Building Resilience

At Hunas Holdings PLC, natural capital represents the environmental resources, ecosystems and ecological processes upon which our businesses depend and which our operations may influence. **Water, land, forests, biodiversity, soil and renewable natural resources** are particularly important across our diversified portfolio and contribute directly and indirectly to our ability to create long-term value.

The relationship between our businesses and nature varies across the Group. Our **Leisure & Hospitality** properties operate within landscapes where

biodiversity and natural environments contribute directly to destination value and guest experiences. **Plantations & Tea** depend on healthy soils, water resources and resilient ecosystems for agricultural productivity. Our **Renewable Energy** operations depend directly on water availability and healthy catchments, while **Logistics & Marine Services** and **Real Estate** create environmental considerations relating to energy, emissions, resource consumption and responsible asset management.

We therefore recognise that protecting natural capital is not solely an environmental responsibility. It is also important to **operational continuity, resilience, regulatory compliance, stakeholder relationships and long-term value creation.**

Our approach combines responsible resource management, biodiversity stewardship, pollution prevention, environmental compliance and progressive improvements in environmental performance across the Group.

1. OUR APPROACH TO NATURAL CAPITAL

Managing Our Dependencies and Impacts

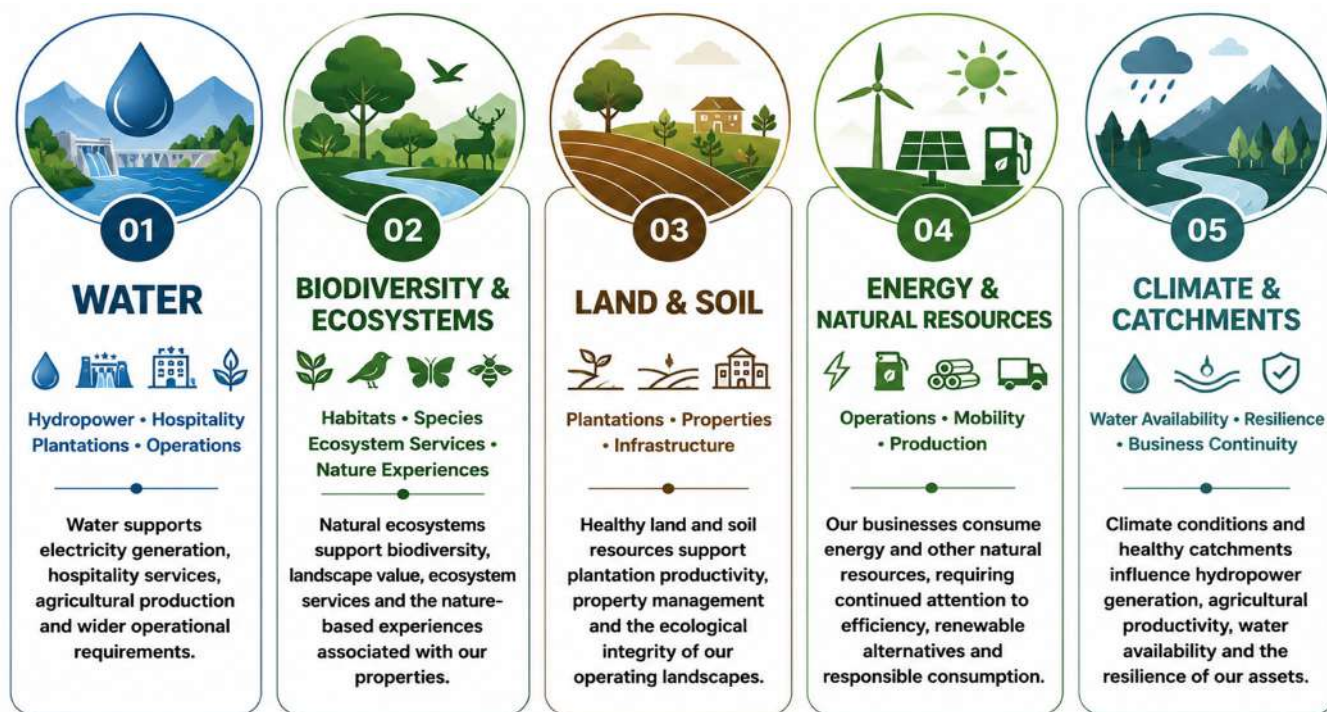
Natural capital considerations are integrated progressively into the way Hunas Holdings manages its operations, assets and environmental responsibilities. Our approach recognises both our dependencies on nature—including water, land, soil, ecosystems and climatic conditions—and the potential environmental impacts arising from our activities.

We seek to manage these relationships through responsible resource use, environmental compliance, biodiversity stewardship, pollution prevention, operational efficiency and greater awareness of nature- and climate-related risks.

Our approach is structured around five priorities:

- 01 Biodiversity & Ecosystem Stewardship
- 02 Water Stewardship
- 03 Responsible Land & Forest Management
- 04 Resource Efficiency & Circularity
- 05 Climate Action & Operational Resilience





Recognising and responsibly managing these dependencies is essential to safeguarding natural capital, strengthening resilience and ensuring the long-term success of our businesses.

2. BIODIVERSITY & ECOSYSTEM STEWARDSHIP

Understanding the Nature Within Our Landscapes

Several Hunas Holdings properties are located within or adjacent to landscapes of significant ecological value. These natural environments provide habitats for wildlife, support ecosystem services and contribute directly to the character and value of our hospitality and plantation assets.

Our approach is therefore progressively moving from general environmental protection towards **science-based biodiversity management**, supported by ecological assessment, monitoring and conservation planning.

Establishing the Hunas Falls Biodiversity Baseline

During FY2025/26, the Group undertook the first phase of a comprehensive biodiversity assessment at Hunas Falls. Surveys were conducted across **13 plots between 854 m and 1,152 m elevation**, covering different habitat conditions within the property.

The assessment documented:

241 faunal species
160 plant species

The faunal assemblage included:

95 birds | 60 butterflies | 22 dragonflies | 21 reptiles | 14 amphibians | 14 mammals | 9 freshwater fishes

The survey demonstrated particularly important levels of endemism among amphibians and reptiles, with **11 of the 14 recorded amphibian species** and **13 of the**

21 recorded reptile species being endemic to Sri Lanka.

Species of Conservation Significance

Notable biodiversity recorded within the property included the **Dumbara Bent-toed Gecko**, **Highland Purple-faced Langur (Bear Monkey)** and Sri Lankan Otter, together with threatened and endemic flora.

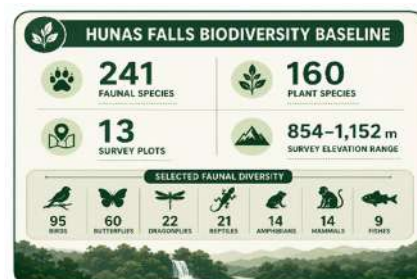
The flora assessment recorded **160 species**, including endemic and nationally threatened plants. Species of conservation interest included the Critically Endangered *Cycas zeylanica* and Endangered *Oreocnide sylvatica* and *Cyanotis ceylanica*.

These findings demonstrate the importance of maintaining habitat quality across the property and provide a scientific basis for future conservation action.

From Assessment to Management

The biodiversity assessment is intended to support:

Baseline establishment → Identification of important species and habitats → Monitoring → Conservation planning → Responsible property management → Nature interpretation



3. RESPONSIBLE LAND, FOREST & SOIL MANAGEMENT

Stewardship Across Our Plantation Landscapes

Our plantation operations depend directly on the long-term productivity of land and soil resources. Responsible agricultural management therefore plays an important role in protecting both environmental quality and future productivity.

At Aigburth, agricultural practices follow *Tea Research Institute (TRI) recommendations*, supporting appropriate soil management, fertility and sustainable tea cultivation.

4. WATER STEWARDSHIP

Water as a Shared Natural Resource

Water is a critical natural resource across the Hunas Holdings portfolio. It supports *hydropower generation, hospitality operations, plantation activities and natural ecosystems*, making responsible water management important from both operational and environmental perspectives.

Our approach considers water consumption, abstraction, discharge, wastewater quality and the ecological condition of water-related environments.

5. ENERGY, EMISSIONS & RESOURCE EFFICIENCY

Managing Our Operational Footprint

During FY2025/26, Group-wide ESG monitoring strengthened the collection and consolidation of environmental performance information across our operations.

24,425.6 GJ
TOTAL ENERGY CONSUMPTION

Of this:

16,843.4 GJ — Renewable energy
7,582.2 GJ — Non-renewable energy

This means approximately *69% of reported energy consumption was from renewable sources*, largely reflecting biomass use within operations.

Protecting Tree Resources

Recognising the environmental sensitivity of the wider landscape and Aigburth's proximity to the *Sinharaja Rainforest ecosystem*, the estate maintains a policy of *not harvesting estate trees to meet factory fuelwood requirements*.

This helps reduce direct pressure on tree resources within the estate while reinforcing the importance of protecting environmentally sensitive areas associated with the plantation landscape.

Water Across Our Businesses

RENEWABLE ENERGY
Water flows and catchment conditions directly influence hydropower generation.

LEISURE & HOSPITALITY
Water supports accommodation, food and beverage operations, landscaping and other guest services.

PLANTATIONS & TEA
Water contributes to agricultural productivity and tea-processing activities.

Sustainable Agriculture

TRI-recommended agronomic practices
→ healthier soils

Good Agricultural Practice awareness
→ improved field practices

Responsible land management
→ stronger plantation resilience

Forest conservation approach
→ protection of natural assets

ECOSYSTEMS

Streams, wetlands, lakes and catchments provide habitat and wider ecosystem services.

Water Quality & Compliance

Environmental compliance includes attention to wastewater management and discharge quality at relevant operating locations. Monitoring and regulatory requirements provide an important basis for ensuring that operational discharges are managed responsibly.

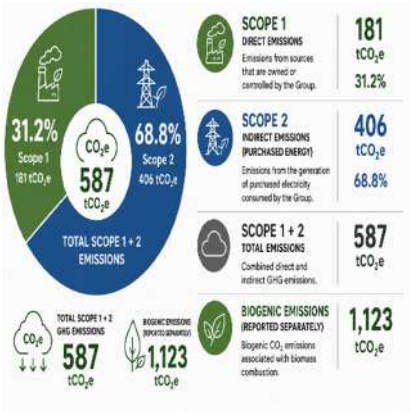
Managing Greenhouse Gas Emissions

The Group recorded:
181 tCO₂e — Scope 1
406 tCO₂e — Scope 2

587 tCO₂e
TOTAL SCOPE 1 & 2 EMISSIONS

Additionally, *1,123 tCO₂e of biogenic emissions* were recorded separately.

Our developing emissions inventory provides a baseline for progressively strengthening emissions management and identifying opportunities for operational efficiency and lower-carbon practices.



6. WASTE & CIRCULAR RESOURCE MANAGEMENT

Moving from Waste Management Towards Resource Efficiency

Our businesses generate different waste streams according to their operational activities. During FY2025/26, the Group strengthened the consolidation of waste information across monitored categories, improving visibility over the types and quantities of waste generated.

20,850.553 kg
TOTAL RECORDED WASTE

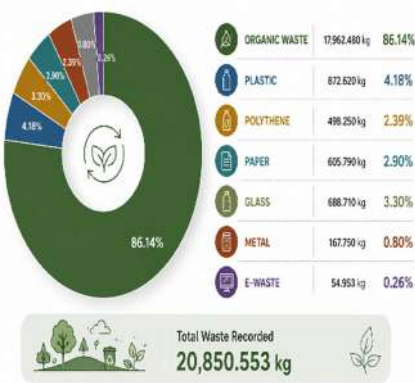
The largest recorded waste stream was:

17,962.480 kg Organic Waste

Other monitored categories included:

872.620 kg Plastic
688.710 kg Glass
605.790 kg Paper
498.250 kg Polythene
167.750 kg Metal
54.953 kg E-waste

Our approach prioritizes *prevention, segregation, responsible handling, recycling and recovery where practicable*, while improving data quality to support future waste-reduction measures.



7. RENEWABLE ENERGY & CLIMATE RESILIENCE

Contributing to a Lower-Carbon Energy Future

Renewable energy represents both a business activity and an important environmental contribution of Hunas Holdings.

During FY2025/26, our mini-hydropower operations generated:

17.27 GWh
RENEWABLE ELECTRICITY

Through renewable electricity generation, the Group contributes to Sri Lanka's electricity supply while maintaining renewable energy as an important component of its diversified business portfolio.

Building Climate Resilience

Climate change also presents physical risks to the natural resources and infrastructure

upon which our businesses depend. Changing rainfall patterns, extreme weather, catchment conditions and other climate-related factors can affect *hydropower generation, plantation productivity, biodiversity, water availability and physical assets*.

The severe weather experienced during FY2025/26, including the damage that resulted in the cessation of operations at the Weswin mini-hydropower facility, reinforced the importance of strengthening *infrastructure resilience, preparedness and climate adaptation* across vulnerable operations.

Our approach will progressively seek to strengthen understanding of climate-related risks while integrating resilience considerations into operational and environmental management.



WAY FORWARD

Advancing Our Natural Capital Agenda

Building on the environmental management systems, biodiversity baseline work and ESG data framework strengthened during FY2025/26, Hunas Holdings will progressively move from *measurement and assessment towards targeted environmental action*.

Our priorities will focus on strengthening biodiversity knowledge across ecologically significant properties, improving resource efficiency, enhancing water and catchment stewardship, building climate resilience and establishing stronger environmental performance targets across the Group.

01 | EXPAND BIODIVERSITY ASSESSMENT & MONITORING

From Baseline to Group-wide Understanding

Build on the Hunas Falls Biodiversity Assessment by progressively extending biodiversity assessments to other ecologically significant properties, including *Aigburth, Rainforest Edge and Boulder Garden*.

The resulting baselines will support identification of priority habitats and species, property-level conservation actions and longer-term biodiversity monitoring.

02 | TRANSLATE BIODIVERSITY FINDINGS INTO CONSERVATION ACTION

From Knowledge to Stewardship

Use biodiversity and ecological assessment findings to develop practical property-level conservation priorities, strengthen protection of sensitive habitats and improve management of invasive species and other pressures.

At Hunas Falls, the established zzz baseline will provide the scientific foundation for progressively integrating conservation priorities with property management and responsible nature interpretation.

03 | STRENGTHEN WATER & CATCHMENT STEWARDSHIP

Improving Understanding of a Critical Dependency

Strengthen water monitoring across hotels, plantations and other relevant operations through improved consumption records and **property-level water balances**, while continuing attention to wastewater quality and environmental compliance.

For hydropower operations, greater consideration will be given to catchment condition, water availability and climate-related changes that may influence long-term operational resilience.

04 | SET PROPERTY-LEVEL ENVIRONMENTAL ACTION PLANS

Turning Group Priorities into Operational Action

Progressively establish environmental action plans for priority operating locations, translating Group sustainability priorities into practical actions covering **energy, water, waste, emissions, biodiversity and environmental compliance**.

Improved ESG data will support the establishment and monitoring of appropriate environmental performance targets.

05 | IMPROVE ENERGY EFFICIENCY & GHG MANAGEMENT

Strengthening Our Low-Carbon Transition

Build on the FY2025/26 Scope 1 and Scope 2 emissions baseline by strengthening fuel

and electricity data quality, improving GHG accounting and identifying opportunities for energy-efficiency improvements across priority properties.

The Group will continue to complement operational emissions-management efforts through its renewable-energy business and contribution to cleaner electricity generation.

06 | ADVANCE WASTE REDUCTION & CIRCULARITY

From Waste Tracking to Waste Reduction

Improve the completeness and reliability of waste information across operating businesses and strengthen segregation, recycling, recovery and responsible disposal practices.

Greater emphasis will be placed on establishing **property-level waste reduction actions**, improving traceability of recyclable materials and identifying opportunities to return suitable materials to productive use.

07 | BUILD CLIMATE RESILIENCE

Preparing Our Businesses for Physical Climate Risks

Progressively strengthen assessment of climate-related physical risks affecting **hydropower infrastructure, plantation productivity, hospitality properties, water resources and natural ecosystems**.

Future work will seek to strengthen adaptation planning, quantitative risk assessment and, as the Group's reporting capability develops, the use of climate

scenario analysis to inform longer-term decision-making.

08 | ADVANCE NATURE-RELATED OPPORTUNITIES

Creating Value Through Conservation

Explore opportunities to connect biodiversity conservation with nature-based tourism, environmental education and emerging conservation-finance mechanisms.

The Group's ecologically significant properties provide opportunities to progressively develop a more structured approach to **nature-positive value creation**, supported by credible scientific baselines and appropriate partnerships.

09 | STRENGTHEN ENVIRONMENTAL DATA, TARGETS & DISCLOSURE

Building Accountability Through Better Information

Continue strengthening the completeness, consistency and reliability of environmental data across Group businesses through clearer data ownership, regular monitoring and consolidated ESG performance reporting.

As data maturity improves, Hunas Holdings intends to establish more robust environmental targets and progressively strengthen alignment with recognised sustainability and nature-related disclosure practices.

COMPANY WAY FORWARD: REPOSITIONING FOR SUSTAINABLE GROWTH

As Hunas Holdings PLC looks ahead to FY 2026/27 and beyond, it does so with a clearer sense of priority than in prior years. Building on the operational consolidation achieved during FY 2025/26 across its hospitality, plantation, power, and shipping and logistics operations, the Group has determined that hospitality will be the primary driver of its growth in the years ahead. This represents a sharpening of focus rather than a change in the Group's underlying diversified structure. Renewable energy, plantations and logistics remain part of the portfolio, but capital allocation, management attention and strategic priority are increasingly directed toward expanding the Group's hotel portfolio and its capabilities as a hospitality management organisation.

This shift builds directly on groundwork laid during FY 2025/26, including the establishment of a central Sales division, a Digital Marketing division, and a Central Reservations function serving the Group's four hospitality properties. Having built this commercial infrastructure, the Group's next phase of growth is oriented toward expanding the scale of its hospitality operations, both through direct investment in its existing properties and, over time, through opportunities to manage additional properties beyond its own portfolio.

Hospitality: The Group's Primary Growth Engine

Expanding the Hotel Portfolio

The Group's near-term hospitality priority is to expand its hotel portfolio beyond the four properties currently under management: Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel and Aigburth Villa. The Hunas Villas project, advanced during FY 2025/26 as an initial phase ahead of the larger planned renovation of Hunas Falls Hotel, forms the first stage of this expansion. Beyond this immediate project, the Group intends to evaluate opportunities to add further properties to its portfolio, whether through new development, acquisition, or partnership, with a particular focus on properties that complement the existing hill-country and rainforest-edge positioning of the Group's hospitality brand.

The previously announced collaboration with hotelier Adriaan Zecha to reposition Hunas Falls Hotel as a luxury destination for international travellers remains part of the Group's longer term hospitality ambition. During FY 2025/26, the Group adopted a measured approach to this project, prioritising the smaller scale Hunas Villas initiative first. As market conditions and the Group's commercial platform continue to mature, the Group expects to revisit the scope and timing of the larger Hunas Falls Hotel transformation.

Building Hotel Management Capability

Alongside expanding its own hotel portfolio, the Group is placing increasing emphasis on strengthening its capabilities as a hospitality management organisation. The consolidation of sales, marketing and reservations functions during FY 2025/26 was the first step in building a scalable commercial and operational platform capable of supporting a larger portfolio of properties. The Group's ERP system, following its rollout in FY 2025/26, is intended to provide the standardised operational backbone required to manage additional properties efficiently as the portfolio grows.

Recognising the value of specialised hospitality management expertise, the Group brought in recognised industry professionals to lead its Sales, Digital Marketing and Central Reservations functions during FY 2025/26, and intends to continue building management depth in the years ahead, including scaling the AI assisted training and feedback platform first piloted in FY 2024/25. Over time, the Group is also evaluating the potential to extend its hospitality management expertise beyond its own directly owned properties, including the possibility of management contracts for third party properties, an approach that would grow the Group's hospitality footprint and management fee income without proportional capital investment in property ownership, consistent with practice among other established Sri Lankan hospitality groups.

Guest Experience, Technology and Brand

Guest experience remains central to the Group's hospitality strategy. The central Digital Marketing division is expected to play an increasing role in shaping how the Group's properties are presented to prospective guests, supporting the ambition to position the portfolio as a collection of distinctive, experience rich destinations. Sustainability credentials are increasingly integrated into this proposition: the Group's Sustainability division, formally established during FY 2025/26, has a mandate spanning biodiversity measurement and conservation across properties located near the Sinharaja Rainforest and the Knuckles mountain range.

As the Group evaluates opportunities to expand its hotel portfolio, brand consistency is an important consideration. The four existing properties occupy distinct positions within the hospitality market, from the flagship Hunas Falls Hotel to the more intimate Aigburth Villa, and future additions are expected to be evaluated against how well they complement this existing spread of price points and guest experiences, rather than pursued purely on individual property economics.

This expansion strategy is supported by a favourable operating environment. Sri Lanka's tourism industry recorded a record 2.36 million arrivals in the 2025 calendar year, with the Government targeting three million arrivals for 2026 and tourism earnings of approximately USD 3.2 billion in 2025 underlining the scale of opportunity available to well positioned hospitality operators. The Group's decision to prioritise hospitality reflects this national trajectory, alongside its own assessment of where its capabilities and brand positioning offer the clearest path to sustainable, scalable growth.

Financing and Organisational Readiness

The Group intends to pursue hospitality expansion on a phased, disciplined basis, prioritising initiatives such as Hunas Villas that can be delivered without disproportionate capital risk, ahead of larger commitments such as the full scale Hunas Falls Hotel renovation. This reflects a preference for measured, staged investment over large, upfront commitments made before market conditions and internal commercial capability have been fully tested. Supporting a larger portfolio also requires organisational capacity beyond the property level: during FY 2025/26, the Group continued to strengthen its Finance and Human Resources functions with experienced hires, reflecting a philosophy of building capability ahead of the growth curve.

Plantation Sector: A Measured Transition

In the plantation sector, the Group's strategic focus during FY 2025/26 and beyond is one of measured transition rather than continued expansion. Having stabilised the sector through the operational and agronomic improvements introduced since FY 2024/25, and having built a stronger retail proposition through the Aigburth Ceylon brand, the Group intends to gradually reduce its strategic emphasis on the plantation sector over time, redirecting capital and management attention toward its hospitality operations. This does not represent an abrupt exit; existing estate and factory operations, along with the bulk auction, white label and Aigburth Ceylon retail channels, will continue to be managed to preserve value, and any changes to the Group's plantation holdings will be evaluated carefully with a view to protecting the interests of the estate's workforce and the surrounding community.

Power Sector: Consolidating and Diversifying

The Group's power sector enters FY 2026/27 having navigated a year of modest generation decline, driven primarily by the landslide related outage at Weswin Power Gahala following Cyclone Ditwah. Notwithstanding this disruption, the Group's medium term strategy for the sector remains substantially aligned with the direction set out in the prior financial year: continued optimisation of the existing hydropower portfolio, combined with diversification into solar and wind generation.

With most of the readily available hydro locations in the Sabaragamuwa and Central Provinces already utilised or approaching saturation, the Group's future growth in the power sector is expected to come primarily from optimisation of existing assets and selective diversification into solar and wind generation, reducing exposure to the kind of single site, weather related disruption experienced during FY 2025/26. The Group also continues to upgrade its operational and data infrastructure to remain compliant with evolving national grid regulations, reinforcing its position as a dependable power partner to the Ceylon Electricity Board, with Standardised Power Purchase Agreements and potential Public Private Partnership structures supporting continued investment in clean, predictable energy generation.

Restoring Weswin Power Gahala to full operation is the Group's immediate priority within the sector. Once rehabilitation is complete, the Group expects to resume its focus on capacity optimisation across its existing four plant portfolio, while progressing the pipeline of hydro, solar and wind opportunities identified during FY 2024/25. Although the power sector is not the Group's primary strategic focus in the way that hospitality now is, it remains an important contributor to Group profitability and to Sri Lanka's broader transition toward a low carbon energy mix.

Shipping, Logistics and Marine Services: Building the Platform

The Group's shipping, logistics and marine services operations remain at an early stage of development relative to its more established plantation, power and hospitality businesses. Sri Lanka's position astride major East – West shipping lanes continues to make logistics a strategically significant sector for the country, and the Group continues to view shipping and logistics as a long term growth driver, particularly as trade volumes and regional supply chains continue to scale.

During FY 2025/26, the Group continued to develop the scalable, technology enabled logistics platform first outlined in the prior financial year, intended to integrate warehousing, inland transportation and marine services under a single operating structure. This remains a multi year undertaking, and the Group's approach continues to prioritise careful, staged development over rapid expansion, reflecting the sector's relatively early stage within the Group's overall portfolio.

Nonetheless, the Group continues to regard the sector as a meaningful contributor to national economic resilience and supply chain modernisation, and intends to continue building out the platform's foundational infrastructure and capabilities as resources allow, with a view to unlocking new revenue streams over the medium to long term.

Looking Ahead

Taken together, the Group's priorities for FY 2026/27 reflect a more focused portfolio than in prior years, without abandoning the diversification that has underpinned Hunas Holdings' resilience to date. Hospitality now sits at the centre of the Group's growth strategy, supported by the commercial and operational infrastructure built during FY 2025/26 and by a national tourism sector that continues to set new records. The plantation sector will be managed for stability and gradual transition rather than expansion, while the power and shipping and logistics sectors continue to be developed as important, if secondary, contributors to the Group's overall performance.

This sharper focus does not represent a departure from the Group's underlying purpose: to build institutions that create lasting value for shareholders, employees and the communities in which the Group operates. Sustainability considerations, coordinated increasingly through the Group's Sustainability division, remain embedded across all four sectors, from biodiversity stewardship in hospitality and plantations to responsible energy generation and the long term modernisation of Sri Lanka's supply chain infrastructure.

The Group enters FY 2026/27 with a clearer sense of where its greatest opportunities lie, and with the operational foundations in place to pursue them. Management looks forward to updating stakeholders on the progress of this hospitality led growth strategy, and on developments across the plantation, power, and shipping and logistics sectors, in the year ahead.



Corporate Governance



CORPORATE GOVERNANCE

The Group’s framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practice, in addition to the ‘triggers’ which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation and transparency.

- Companies Act No.7 of 2007
- The Listing Rules of the Colombo Stock Exchange

The recommendations of the code of Best Practice on Governance issued jointly by the securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (Joint Code) to the extent that they are practicable.

Hunas Holdings PLC, through a process of continuous review, is committed to maintaining the highest standards of business integrity, ethical values and professionalism in all of its activities and relationships, nurturing the trust placed in it by all its stakeholders by greater value creation, year-on-year.

This philosophy has been ingrained at all levels in the company through a strong set of corporate values and a code of conduct which staff at all levels and the Board of Directors are required to follow in the performance of their official duties and in circumstances that are publicly profiled. These values are reinforced through the Company’s recognition schemes which insist, as a minimum, that all nominees have modeled the values.

Code of Conduct

Allegiance to the Company

- Compliance with rules and regulations applicable in the territories in which the Company operates
- Conduct of business in an ethical manner at all times and in keeping with acceptable business practices
- Exercise of professionalism and integrity in all business and ‘public’ personal transactions

The Company believes that the core values that underlie its corporate activities are the main source of its competitive advantage which is rewarded by the trust placed in it by stakeholders.

The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

Board Meetings & Attendance

The Board of Hunas Holdings PLC met once every quarter. Ad hoc meetings are held as and when necessary. The Director’s attendance is shown in the table below.

<u>Name of Director</u>	<u>Meetings Attended</u>
Mr. W.S.L.A.D.R. Samarasinghe	4/4
Mr. M.A.A. Atheeq	4/4
Mrs. G.S.M Irugalbandara	4/4
Ms. P. Wickramanayake	4/4
Mr. G. Vinothan	4/4
Ms. H.A.D. Senaratne (Resigned on 30.03.2026)	0/4
Mr. Toshiaki Tanaka	4/4
Ms. Misako Tanaka	4/4
Mr. Koji Sugimoto	4/4

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)				
Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
A. DIRECTORS				
A.1 THE BOARD				
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Law, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on page no 16 - no.18.				
1.	Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met 04 times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 93.
2.	Board Responsibilities	A.1.2	Complied	The Board is responsible to the shareholders for creating and delivering long- term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team led by the Chairman with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.
3.	Compliance with Laws and access to independent professional advice	A.1.3	Complied	The Board collectively, and Directors individually must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Complied	All Directors have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
5.	Independent judgment	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.

Corporate Governance (Contd...).

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors of the Company dedicate adequate time and effort to fulfill their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
A.3 CHAIRMAN'S ROLE				
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 16.				
7.	Role of the Chairman	A.3.1	Complied	The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meeting and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman is also responsible for: • Ensuring the new Board members are given an appropriate induction, covering terms of appointment, • The effective participation of both Executive and Non- Executive Directors; • All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company; • A balance of power between Executive and Non-Executive Directors is maintained; • The views of Directors on issues under consideration are ascertained.
A.4 FINANCIAL ACUMEN				
The Code requires that the Board comprises of members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as the member of the audit committee is a qualified accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
8.	Financial acumen and knowledge	A.4	Complied	The Board comprises one CIMA qualified accountant who serves as member of the Audit Committee. This Director add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
A.5 BOARD BALANCE				
The Code requires that a balance is maintained between the Executive and Non- Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Six (06) Executive Directors and Three (03) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
9.	Presence of Non - Executive Directors	A.5.1	Complied	Three (3) out of Nine (9) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
10.	Criteria to evaluate Independence of Non- Executive Directors	A.5.3	Complied	Refer Section A 5.5 below. The Board considers Non-Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
11.	Signed declaration of independence by the Non-Executive Directors	A.5.4	Complied	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
12.	Determination of independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. G Vinothan Mr. Koji Sugimoto Ms. H A D Senaratne (Resigned on 30.03.2026) Mr. Madhura De Lanerolle (Appointed on 11.05.2026)
A.6 SUPPLY OF INFORMATION				
Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non- financial information is analysed and presented to the Board to make informed and accurate decisions.				
13.	Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
14.	Adequate time for effective Board meetings	A.6.2	Complied	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.

Corporate Governance (Contd..)

Corporate Governance Principles	Reference Code	of Compliance	The Company's Extent of Compliance in 2025/2026
A.7 APPOINTMENTS TO THE BOARD			
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.			
15.	Nomination Committee	A.7.1	Complied The Nomination Committee of the Company makes recommendations to the Board on all new Board appointments. The Nomination committee consists of following members; Mr. G Vinothan Chairman Independent Non - Executive Director Ms. H A D Senaratne Member (Resigned on 30.03.2026) Independent Non - Executive Director Mr. Koji Sugimoto Member Independent Non - Executive Director The Committee was reconstituted and the current committee; Mr. G Vinothan Chairman Independent Non - Executive Director Mr. M De Lanerolle Member (Appointed on 11.05.2026) Independent Non - Executive Director Mr. Koji Sugimoto Member Independent Non - Executive Director
16.	Disclosure of New appointments	A.7.3	Complied A brief resume of the Directors, Nature of his/her experience and names of the companies he/she holds the directorship and the independency is informed to the Colombo Stock Exchange and disclose in the Annual Report on Pages 109 to 110.
A.9 APPRAISAL OF BOARD PERFORMANCE			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.			
17.	Annual performance evaluation of the Board and its Committees	A.9.1 & 9.2	Complied The Chairman and Remuneration Committee evaluate the performance of the Executive Directors Periodically. The Board undertakes an annual self-evaluation of its own performance and of its Committees. The Board evaluated its performance and effectiveness in the current year.
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.			
18.	Details in respect of Directors	A.10.1	Complied The following details pertaining to each Director are disclosed as follows : (a) Brief profile with expertise and experience – page 16-18 (b) Directors' Interest in Contracts - Page 171 (c) Detail of Board Meetings held during the year page 93

Corporate Governance Principles	Reference Code	of Compliance	The Company's Extent of Compliance in 2025/2026
B. DIRECTORS' REMUNERATION			
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.			
19.	Establishment of remuneration committee	B.1.1, B.1.2, B.1.3, B.1.4 & B.1.5	Complied The Remuneration Committee of the Company and recommends the remuneration payable to the Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation. The Remuneration Committee comprise of following members Mr. G Vinothan - Chairman Independent Non - Executive Director Ms. H A D Senaratne - Member (Resigned on 30.03.2026) Independent Non - Executive Director Mr. Koji Sugimoto - Member Independent Non - Executive Director The Committee was reconstituted and the current committee; Mr. G Vinothan - Chairman Independent Non - Executive Director Mr. M De Lanerolle - Member (Appointed on 11.05.2026) Independent Non - Executive Director Mr. Koji Sugimoto - Member Independent Non - Executive Director Payment of remuneration to directors is disclosed in page 108 of this report. No director is involved in deciding his own remuneration.
B.2 THE LEVEL AND MAKE UP OF REMUNERATION			
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.			
20.	Level of remuneration	B.2.1, B.2.2, B.2.3 & B.2.4	Complied The Remuneration Committee structures the remuneration package to attract, retain and motivate the directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the directors are taken in to account when considering the remuneration levels of the directors.
21.	Levels of Remuneration of Non-Executive Directors	B.2.10	Complied Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
B.3 DISCLOSURE OF REMUNERATION			
The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy.			
22.	Disclosure of Remuneration	B.3.1	Complied Please refer page 108 for the total Directors' remuneration

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
C. RELATIONS WITH SHAREHOLDERS				
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS				
The Code requires the Board to use the AGM which is a major event in the Company's calendar to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
23.	Use of proxy votes	C.1.1	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
C.2 COMMUNICATION WITH SHAREHOLDERS				
The Code Requires the board should implement effective communication with shareholders.				
24.	Channel to reach all shareholders	C.2.1	Complied	The main mode of communication between the Company and the shareholders is the Annual General Meeting. Shareholders are provided with the information prior to the AGM. Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.
25.	Policy methodology for communication with shareholders.	C.2.2.	Complied	An open door policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretary and engage in dialogue Contact details are published in all annual and quarterly financial reporting.
26.	Implementation of the policy and methodology for communication with shareholders.	C.2.3 C.2.7	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology
27.	Contact person for communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the back inner cover of the Annual Report and Quarterly Financial Statements.
28.	Process to make directors aware of major issues and concerns of shareholders	C.2.5	Complied	The company secretary maintain a record of all correspondence about all major issues and concerns of the shareholders.
29.	Process for responding shareholder matters	C.2.7	Complied	Covered under the section C.2
D. ACCOUNTABILITY AND AUDIT				
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)				
The Board should present a balanced and understandable assessment of the company's financial position, performance and prospects.				
30.	Board's responsibility for Statutory and Regulatory Reporting	D.1.1	Complied	The Board has recognized the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act No. 07 of 2007 and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.
31.	Declaration by Directors' report in the Annual Report	D.1.4	Complied	Complied The Directors have made all required declarations in the 'Annual Report of the Board of Directors and appears on pages 113 to 115.
32.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Complied	The 'Statement of Directors' Responsibility' is given on page 112. See the 'Auditors' Report' on pages 117 to 119 for the reporting responsibility of Auditors."

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
D.2 RISK MANAGEMENT AND INTERNAL CONTROL				
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.				
33.	Disclosure of related party transactions	D.1.8	Complied	Refer the Related Party transaction Review committee report on page 106 to 107.
34.	Annual evaluation of the internal controls system and Risk Management	D.2.1	Complied	"The Board is responsible for the Company internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time.
35.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
D.3 AUDIT COMMITTEE				
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.				
36.	Composition of the Audit Committee	D.3.1	Complied	The Audit Committee consists of Three independent Non Executive Directors. Ms. H A D Senaratne -Chairman (Independent Non - Executive Director) (Resigned on 30.03.2026) Mr. G Vinothan - Member (Independent Non - Executive Director) Mr. K Sugimoto - Member (Independent Non - Executive Director) The Committee was reconstituted and the current committee; Mr. M De Lanerolle -Chairman (Independent Non - Executive Director) (Appointed on 11.05.2026) Mr. G Vinothan - Member (Independent Non - Executive Director) Mr. K Sugimoto - Member (Independent Non - Executive Director) The Company Secretary Serves as its Secretary. and Chief Accountant invited to attend meetings as required. The input of the statutory Auditors will be obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.
37.	Terms of reference of the Audit Committee	D.3.2	Complied	Terms of Reference of the Board Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors and Risk Management procedures of the Company. Refer audit committee report on pages 104 to 105.
38.	Disclosures of the Audit Committee	D.3.3	Complied	The names of the members of the Audit Committee are given under section D.3.1 of this Code. Refer the Audit Committee report on pages 104 to 105.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/2026
D.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE				
The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favorable treatment” than that accorded to third parties in the normal course of business.				
39.	A related party and related party transactions will be as defined in LKAS 24.	D.4.1	Complied	Please refer Related Party Transaction review Committee Report on page 106.
40.	Establishment of related party transaction review committee and composition.	D.4.2	Complied	Please refer Related Party Transaction review Committee Report on page 106.
41.	Written terms of reference of related party transaction review committee.	D.4.3	Complied	Please refer Related Party Transaction review Committee Report on page 106.
D.5 CODE OF BUSINESS CONDUCTED AND ETHICS				
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.				
42.	Code of Business Conduct and Ethics	D.5.1	Complied	The Company has developed a Code of Conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behavior, etc.
D.6 CORPORATE GOVERNANCE DISCLOSURE				
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka.				
43.	Disclosure of corporate governance	D.6.1	Complied	This requirement is met through the presentation of this report.
E. INSTITUTIONAL INVESTORS				
E.1 SHAREHOLDERS' VOTING				
Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.				
44.	Communication with shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.

SECTION 2 : COLOMBO STOCK EXCHANGE LISTING RULES				
Statement of Compliance				
This section covers Hunas Holdings PLC's extent of adherence to the requirements of the Continuing Listing Requirements of Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.				
Rule No.	Subject	Hunas Extent of Adoption	Compliance Status	Reference in this Report
7.10.1(a)	Non-Executive Directors (NED)	Three (3) of the Nine (9) Directors were Non-Executive Directors	Complied	Corporate Governance
7.10.1(b)	Basis of Calculation of Total Number of Non-Executive Directors	Based on the number as at the conclusion of the immediately preceding AGM	Complied	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	Three (3) of the Three (3) Non-Executive Directors were Independent	Complied	Corporate Governance
7.10.2 (b)	Independent Directors	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.	Complied	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	The Board assessed the independence declared by the Directors and determined the Directors who are independent and disclosed same in item A.5.5 of the CASL Code table.	Complied	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The Board has determined that three (3) Non-Executive Directors satisfy the criteria for "independence" set in the Listing Rules as in item A.5.5 of the CASL code table.	Complied	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the Director's areas of expertise.	Complied	Profile of the Board in the Annual Report
7.10.3 (d)	Disclosure relating to Directors	New director appointments	Complied	Corporate Governance
7.10.5	Remuneration Committee	Remuneration Committee functions are stated in the corporate governance page at 108.	Complied	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	The Remuneration Committee consists Three (3) Independent Non-Executive Directors.	Complied	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Executive Directors.	Complied	Annual report of Board of Directors
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration	Names of Remuneration Committee members are given in section B.1.3 of the CASL code. The Remuneration paid to Directors is given in the Note 33.1 to the Financial Statement on page 171.	Complied	Annual report of the Board of Directors and Corporate Governance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of NEDs, a majority of whom will be independent.	Complied	The Audit Committee Reports and Corporate Governance
7.10.6 (b)	Audit Committee Functions	Audit Committee functions are stated in the Audit Committee Report – Page 104 to 105.	Complied	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	The names of the Audit Committee members given on page 104. The basis of determination of the independence of the Auditor is also given in section D.3.4 of the CASL code.	Complied	Corporate Governance and the Audit Committee Reports
7.6.(vii)	Employees and Industrial relations	There is no dispute are on Industrial relations	Complied	Corporate Governance
7.13.1	Minimum Public Holding	The Company complies with option 5 of the Listing rules 7.13.1(a) which requires a 7.5% minimum Public Holding. Complied as of 17th July 2025.	Complied	Share and Investor Information

This section covers Hunas Holdings PLC's extent of adherence to the requirements of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange:

Rule No.	Subject	Hunas Extent of Adoption	Compliance	Reference in this Report
9.2.1 & 9.2.3	Related Party Transactions Review Committee (RPTRC)	The functions of the committee are stated in Related Party Transactions re-view Committee report in page 106-107.	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC was consists of following directors Mr. G Vinothan Chairman Independent Non - Executive Director Ms. H A D Senaratne Member (Resigned on 30.03.2026) Independent Non - Executive Director Ms. M A A Atheeq Member Executive Director The Committee was reconstituted and Current Committee; Mr. G Vinothan Chairman Independent Non - Executive Director Mr. M De Lanerolle Member (Appointed on 11.05.2026) Independent Non - Executive Director Ms. M A A Atheeq Member Executive Director	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	The committee met 04 times during the financial year of 2025/2026	Complied	Related Party Transactions Review Committee Report

AUDIT COMMITTEE REPORT

The Audit Committee is comprised of three Independent Non-Executive Directors.

Ms. H A D Senaratne	Chairman (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr. G Vinothan	Member
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

The Committee was reconstituted and the current committee:

Mr. Madhura De Lanerolle	Chairman (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr. G Vinothan	Member
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

The Board Secretary functions as the Secretary to the Audit Committee.

The Audit committee has a written Terms of Reference dealing clearly with its authority and duties. This is established for the purpose of assisting the Board in fulfilling their oversight responsibilities regarding the integrity of the financial statements, risk management, internal control, and compliance with legal and regulatory requirements, review of External Auditors' performances, independence and the internal audit functions.

Meetings

The Audit Committee held four meetings during the financial year.

Name of the Director	Total
Ms. H A D Senaratne	0/4
Mr. G Vinothan	4/4
Mr. Koji Sugimoto	4/4

Functions of the Audit Committee

Financial Reporting

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007. Matters of special interest in the current environment and the process that supports certifications of the Financial Statements by the Company's Managing Director, Chief Financial Officer and Accountant were also brought up for discussion.

Risk and Controls

The Committee have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

External Audit

The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit. In addition, the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process was also undertaken. The Lead partner is required to be rotated every five years, in order to ensure the independence of the Auditor.

The Non-Audit Services provided by the External Auditor were also reviewed and the committee was of the view that such services did not impair their independence and were not within the category of services identified as restricted under the Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

The appointment of the External Auditor, M/s Ernst & Young, Chartered Accountants has been recommended to the Board of Directors and the Committee has also fixed the Auditor's remuneration, for approval by the shareholders at the Annual General Meeting.

Internal Audit

During the year, the Audit Committee reviewed the performance and related control aspects, and the findings of the audits completed, which covered the operational and financial aspects of the Group. The Committee, with special reference to the internal controls regarding Group operations, and the department's resource requirements, including succession planning, also approved the internal audit plan.

Regulatory Compliance

The Accounts has submitted to the Audit Committee, a report on the extent to which the company was in compliance with the mandatory and statutory requirements. The Committee reviewed the procedures established by Management for compliance with the requirements of regulatory bodies and also ensured full compliance with the Colombo Stock Exchange Rule No.7.10 on corporate Governance disclosure requirements, which is given on page 102.

Committee Evaluation

The annual evaluation of the committee was conducted by the Chairman, Chief Financial Officer, Internal Auditor and the External Auditor in accordance with international best practices and was deemed to be satisfactory.



Madhura De Lanerolle

Chairman

Audit Committee

03rd September 2026

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

The Related Party Transaction Review Committee of Hunas Holdings PLC, the Company in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.

Composition of the Committee

The Related Party Transactions Review Committee consists of Two (02) Independent Non - Executive Director and one Executive Director.

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr.M A A Atheeq	Member
	Executive Director

The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr.M A A Atheeq	Member
	Executive Director

The Duties of the Committee

The duties of the Related Party Transactions Committee are to:

Review in advance all proposed related party transactions of the Company, either prior to the transaction being entered into or, if the transaction is expressed to be conditional, upon such review that finds that the stipulated conditions have been met, prior to the completion of the transaction.

Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.

Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.

Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.

Review the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Review the economic and commercial substance of both recurrent/non recurrent related party transactions.

Monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

Task of the Committee

The Committee reviewed all related party transactions of Hunas Holdings PLC with regard to compliance as described above and communicated their findings to the Board.

The Committee, in its review process, recognized the adequate nature of the content and quality of the information forwarded to its members by the management.

Attendance

The Committee held meetings 04 times during the year under review. The attendance of the meetings was as follows:

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	0/4
Mr.M A A Atheeq	4/4

Disclosures

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 33 to the Financial Statements given on page 171 in this report.



G.Vinothan

Chairman

Related Party Transaction Committee

03rd September 2026

REMUNERATION COMMITTEE REPORT

The objectives of the Remuneration Committee are to review and approve overall remuneration philosophy, strategy policies and practices including performance-based pay schemes and benefits. The policy is to prepare compensation packages to attract and retain a highly qualified, experienced workforce and reward performance, bearing in mind the business performance and long-term shareholder returns. The committee comprises three Non-executive Directors, as shown as in the below table. The members of the committee met on a quarterly basis throughout the year under review.

The Remuneration Committee was comprised of three Non-Executive Directors.

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

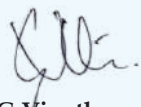
The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

Meetings

The committee held 04 meetings during the year of which the attendance details are as below

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	0/4
Mr.Koji Sugimoto	4/4



G Vinothan

Chairman

Remuneration Committee

03rd September 2026

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Composition of the Committee

The Nomination and governance Committee consists of Three (03) Independent Non - Executive Directors.

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

Meetings of the Committee

The appointment of Mr. Madhura De Lanerolle was referred to the Committee for its consideration, following which the recommendation was submitted to the Board for approval.

Responsibilities of the Committee

The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.

Consider and recommend (or not recommend) the re- election of current directors considering the Board composition against pre-defined criteria on combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.

Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re appoint Directors of the Company.

Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.

Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the Executive Director of the Company to ensure their responsibilities are satisfactorily discharged.

Consider if a Director is able to and has been adequately carrying out his duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.

Develop succession plans for Board of Directors, Executive Director and Key Management Personnel.

Review and recommend the overall corporate governance framework of the Company considering the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.

NOMINATION AND GOVERNANCE COMMITTEE REPORT (Cont.)

Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

Policy on Nominations Committee

Any major issues relating to the Company are updated to the Independent Directors by the Chairman. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Requirements as per the Listing Rules and applicable rules and regulations are informed to the New Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws. Non-Executive Directors have submitted declarations regarding their independence / non-independence. The Board has determined that Directors who have served on the Board for over 9 years are nevertheless independent, after taking into consideration the fact that they do not exert any control over the day-to-day activities of the Company and are capable of acting in an impartial and independent manner on matters deliberated by the Board.

Each Director provided a signed declaration on his/her fitness and propriety based on the assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange. The fitness and propriety of the Directors were examined by the Committee.

Re-Election of Directors

In terms of the Articles of Association of the Company all directors are required to offer themselves for re-election at regular intervals. Every year, not exceeding 1/3 of the Board must retire by rotation.

The Committee has recommended to re-elect Mr. Mohomed Ansar Afzal Atheeq, Ms. Misako Tanaka and Mr. Koji Sugimoto in terms of Article 26(6) of the Company's Articles of Association to the Board at the Annual General Meeting to be held on 30th September 2026.

Declaration

The Committee will continuously focus to comply with the Rule 9.11 of the listing rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance.



G. Vinothan

Chairman

Nomination & Governance Committee

03rd September 2026

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

In accordance with Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange, I served as the Senior Independent Director of Hunas Holdings PLC during the financial year ended 31 March 2026, following the designation of Mr. W.S.L.A.D.R. Samarasinghe as Chairman. The role continues to support the independence and objectivity of the Board and strengthen effective governance and oversight.

During the year, I facilitated discussions among the Independent Directors without the presence of other Directors, in accordance with Principle A.5.7 of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. I also chaired four meetings of the Non-Executive Directors, without the Chairperson present, to consider the Chairperson's performance. In addition, I led the annual evaluation of Board effectiveness and continued to monitor the performance and contribution of individual Directors.

As Senior Independent Director, I remained available as an independent and confidential channel for Directors and employees to raise matters relating to governance or Board operations, while supporting the Chairperson in maintaining sound governance practices and constructive Board engagement. Although I hold a casting vote at meetings of Independent and Non-Executive Directors, there was no occasion during the year when this vote was required.

I remain committed to safeguarding Board independence, promoting transparency and strengthening the standards of governance that underpin the Group's long-term integrity and sustainable value creation.



Koji Sugimoto

03rd September 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under Sections 150 and 151 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for the financial year. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

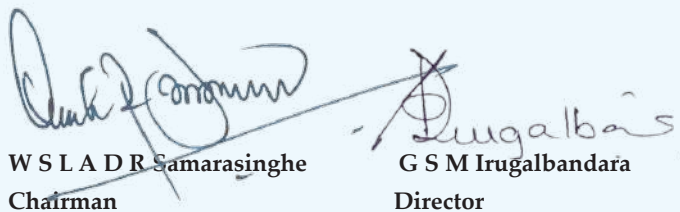
The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards/ Sri Lanka Accounting Standards (SLFRS/LKAS). The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange. The Directors have taken reasonable measures to safeguard the assets of the Group, and in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

The External Auditors, Messrs Ernst & Young, are deemed reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 and were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 117 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the end of financial year have been paid or where relevant, provided for.



W S L A D R Samarasinghe
Chairman

G S M Irugalbandara
Director

03rd September 2026

Colombo

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors are pleased to present their report and the Audited financial statement of the Company for the Year ended 31st March 2026.

The details set out herein provide the pertinent information required to be disclosed by the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

Review of the Year

The Chairman's statement on page no 13 to 15 reviews the affairs of the Company for the financial year ended 31st March 2026. These reports form and integrate the part of the annual report of the Board of Directors of the year under review.

Principal Activity

Hunas Holding PLC formally known as Hunas Falls Hotels PLC, has its ventures in several key industries, which include Hospitality and tourism, Renewable Energy, Real Estate, and Agriculture (Tea Plantations, Factories), Shipping Logistics and Marine Services.

Financial Statements

The Audited Financial Statements of the Group and Company are given on pages 120 to 181 in the Annual Report.

Dividends

The directors do not recommend a dividend for the year ended 31st March 2026.

Auditor's Report

The Auditors' Report on the Financial Statements is given on pages 117 to 119 in the Annual Report.

Accounting Policies

The Accounting Policies adopted by the Company in the preparation of Financial Statements are given on pages 125 to 143 in the Annual Report. The Accounting Policies adopted are consistent with those of the previous financial year.

Interests Register

The Company maintains an Interest register and the particular of those directors who were directly or indirectly interested in a contract of the Company are stated therein.

Directors' Interest in Transactions

The Directors of the Company have made the general disclosures provided for in Section 192 (2) of the Companies Act No. 07 of 2007. The related party disclosures and the Directors of each of these related parties are given on page 171.

Directors' Remuneration and other Benefits

The Directors' Remuneration in respect of the Company for the financial year ended 31st March 2026, amounted to nil.

Directors' Shareholdings

The Directors of the Company as at 31st March 2026 did not hold any shares in the Company.

Board Sub - Committees

Audit Committee

Ms. H A D Senaratne	Chairman (Resigned on 30.03.2026) Independent Non - Executive Director
Mr. G Vinothan	Member Independent Non - Executive Director
Mr.Koji Sugimoto	Member Independent Non - Executive Director

The Committee was reconstituted and the current committee:

Mr. M. De Lanerolle	Chairman (Appointed on 11.05.2026) Independent Non - Executive Director
Mr. G Vinothan	Member Independent Non - Executive Director
Mr.Koji Sugimoto	Member Independent Non - Executive Director

Audit Committee appears on page 104-105

Remuneration Committee

Mr. G Vinothan	Chairman Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026) Independent Non - Executive Director
Mr.Koji Sugimoto	Member Independent Non - Executive Director

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONT...)

The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M. De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

Remuneration Committee appears on page 108.

Related Party Transaction Review Committee

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr. M A A Atheeq	Member
	Executive Director

The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M. De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr. M A A Atheeq	Member
	Executive Director

The report of the Related Party Transaction Review Committee appears on page no 106.

Nomination & Governance Committee

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member (Resigned on 30.03.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

The Committee was reconstituted and the current committee:

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Mr. M. De Lanerolle	Member (Appointed on 11.05.2026)
	Independent Non - Executive Director
Mr.Koji Sugimoto	Member
	Independent Non - Executive Director

Nomination & Governance Committee appears on page 109-110.

Donations

At the last Annual General Meeting shareholders approved a sum not exceeding Rs. 50,000/- in respect of donations. The donations given during the year amounted to Rs. 649,705/- (2025 : Rs. 838,985) No donations were made for political purposes.

Directorate

The Directors of the Company as at 31st March 2026.

Mr. W S L A D R Samarasinghe	Chairman
Mr. M A A Atheeq	Executive Director
Ms. G S M Irugalbandara	Executive Director
Ms. P Wickremanayake	Executive Director
Mr. Toshiaki Tanaka	Executive Director
Ms. Misako Tanaka	Executive Director
Mr. Koji Sugimoto	Independent Non - Executive Director
Mr. G Vinothan	Independent Non - Executive Director
Mr.Madhura De Lanerolle	Independent Non - Executive Director

Ms. H A D Senaratne resigned on 30.03.2026

Directors retiring by rotation or otherwise

Mr. Amarakone Mudiyanseelage Madhura Duke De Lanerolle was appointed to the board on 11th May 2026 and in terms of Article 26 (2) of the Article of Association of the Company retires and offers himself for re-appointment at the forthcoming AGM. The Directors recommend his re-appointment.

In terms of Article 26 (6) of the Company's Articles of Association, Mr. Mohamed Ansar Afzal Atheeq, Ms. Misako Tanaka and Mr. Koji Sugimoto retires by rotation and being eligible offers themselves for re-election at the forthcoming Annual General Meeting. The Directors recommend their re-appointment.

Auditors

Messrs Ernst & Young, Chartered Accountants are deemed appointed as auditors in terms of Section 158 of the Companies Act No. 07 of 2007.

A resolution proposing the Directors be authorized to determine their remuneration will be submitted at the Annual General Meeting.

The Auditors fee for the Group amounted to Rs. 3,042,201/-. The fee for the Company amounted to Rs. 1,200,000 /- (2025: Group - Rs. 3,192,000/-, Company - Rs. 2,233,145/-) as audit fees by the Group. As far as the Directors are aware, the Auditor does not have any relationship (other than that of an auditor) with the Group other than those disclosed above. The Auditors also do not have any interests in the Group.

Profit / (Losses)	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Net (Loss) for the Year after providing for all expenses known liabilities and depreciation of Fixed Assets	(27,659,243)	223,189,262	(345,674,511)	(177,347,468)
Accumulated Profit at End of the Year	(2,646,942,287)	(2,610,993,819)	(2,360,493,751)	(2,013,944,899)

Turnover

The turnover (Net) by the Company for the year was Rs. 85,528,703/- (2024/2025 - Rs.98,486,714 /-). The Group generate an amount of Rs. 873,597,962/- (2024/2025 - Rs.1,334,737,635/-).

Taxation

The Company is liable to pay income tax at the rate of 30% on income from operations. Other income is taxed at 30%.

Property, Plant and Equipment

The carrying value of property plant and equipment for the Company and the Group as at 31st March 2026 amounted to Rs. 1,135,137,616 and Rs. 3,810,949,259 respectively. The total expenditure on the acquisition of property, plant and equipment during the year in respect of new assets acquired by the Company and the Group amounted to Rs. 11,266,408 and Rs.22,979,237 respectively.

Stated Capital

The Stated Capital as at 31st March 2026 was Rs 4,468,573,000/= comprising 849,030,000 (2024/2025- Rs.4,468,573,000 Value/ Number of shares : 849,030,000) fully paid Ordinary Shares.

Post Balance Sheet Events

Events occurring after the reporting date are given in the note 32 to the Financial Statements.

Statutory Payments

The Directors confirm that to the best of their knowledge all taxes and dues payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due as at the balance Sheet date have been paid or provided.

Public Shareholding

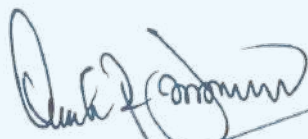
As at 31st March 2026: 10.09% (2025 : 8.80%) of the issued capital of the Company was held by the public, comprising 2,898 (2025: 2,384) shareholders

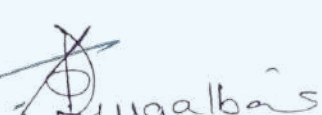
Going Concern

The Directors, after making necessary inquiries and reviews for the year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

Annual General Meeting

The Annual General Meeting is scheduled to be held on 30th of September 2026, at 11.00 a.m, at Chartered Institute of Personnel Management Sri Lanka (CIPM) Auditorium, 43 Vijaya Kumarathunga Mawatha, Colombo 05, Sri Lanka. Notice of meeting relating to the Thirty Seventh Annual General Meeting is given on page 186 of this Annual Report.


W S L A D R Samarasinghe
 Chairman


G S M Irugalbandara
 Director

For and Behalf of Hunas Holdings PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED


Secretaries

03rd September 2026
Colombo

Financial Statement & Related Disclosures / Compliance



INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
839/2, Peradeniya Road
Kandy
Sri Lanka

Tel : +94 81 223 2056
: +94 81 220 5669
: +94 81 220 5668
Fax : +94 81 223 2056
ey.com

TO THE SHAREHOLDERS OF THE HUNAS HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hunas Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of profit or loss and other comprehensive income, the statement of financial position as at 31 March 2026, 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 their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics 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.

Partners: G G S Manatunga FCA, Y A De Silva FCA, W K B S P Fernando FCA FCMA (UK) FCCA, B E Wijesuriya FCA FCMA (UK), R N de Saram ACA FCMA (UK), N M Sulaiman FCA FCMA (UK),

Resident Partner: U G D I Gunasekara FCA

A member firm of Ernst & Young Global Limited

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 Auditor's 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
Interest bearing loans & borrowings As at the reporting date, the Group reported total interest-bearing borrowings of Rs. 1,389,993,845, of which Rs. 300,703,683 is presented as current liabilities and the balance amount of Rs. 1,089,290,162 is presented as non-current liabilities. This was a key audit matter due to: - the magnitude of the interest-bearing borrowings and its significance to the overall financial statements (55% of total liabilities). - appropriateness of disclosures including liquidity risk management, maturity profile and current vs non-current classification of such borrowings in the financial statements.	Our audit procedures included the following: - Obtained an understanding of the terms and conditions attached to external borrowings, by reading the loan agreements. - Evaluated the entity's compliance with long term loan covenants and revisions to financing arrangements made during the year. - Obtained management's assessment of future cash flows and its plans to meet debt service obligations as per existing contractual arrangements. - Assessed the maturity profile of the Company's interest-bearing borrowings focusing on the management's plans to meet the debt obligations maturing within the next twelve months and working capital requirements. - Assessed the adequacy and appropriateness of the disclosures made in Note 26 to the Financial Statements relating to interest bearing borrowings.
Impairment assessment of investment in Subsidiaries As at 31 March 2026, the Company's investment in subsidiaries amounted to Rs. 1,578,804,322, net of accumulated impairment losses of Rs. 1,723,008,678, as disclosed in Note 17 to the financial statements. The assessment of impairment of investments in subsidiaries was considered a key audit matter due to: - The materiality of the carrying amount of investments in subsidiaries and the impairment charge recognised during the year of Rs. 253,347,839/-. - The significant management judgement, assumptions and estimation uncertainty involved in determining the recoverable amounts of the investments. Key assumptions included discount rates, growth rates applied to projected cash flows and other assumptions underlying the valuation models, as disclosed in Note 17 to the financial statements.	Our audit procedures included the following: - We obtained an understanding of management's impairment process. - We evaluated the impairment indicators of investments made in subsidiaries. - We evaluated the reasonableness of management's cashflow forecasts and also tested the calculations of the discounted future cashflows and agreed the underlying data used to supporting documents and accounting records. - We assessed the reasonableness of the judgements, assumptions and estimation uncertainties used in determining the recoverable amounts, such as discount rates, growth rates applied to projected cash flows and other assumptions underlying the valuation models, as disclosed in Note 17 to the financial statements. We also obtained an understanding of management's planned business expansion initiatives, revenue growth strategies and cost optimization measures and assessed their consistency with the assumptions used in the forecasts. - We also assessed the adequacy of disclosures in respect of and investment in subsidiaries and related impairment in the Financial Statements

Other matter

The financial statements of Hunas Holdings PLC ("the company") and the consolidated financial statement of the company and its subsidiary ("the group") for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 29 August 2025.

Other Information included in the 2026 Annual Report of the Company

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

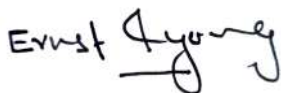
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as 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 auditor's report is 4106.



04 September 2026

Kandy

FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 MARCH 2026

FOR THE YEAR ENDED 31 MARCH	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Revenue	5	873,597,962	1,334,737,635	85,528,703	98,486,714
Cost of sales		(431,228,194)	(948,930,085)	(28,946,532)	(29,349,469)
Gross profit		442,369,768	385,807,550	56,582,171	69,137,245
Other income	6	303,174,738	142,785,091	9,901,129	55,455,924
Marketing and promotional expenses		(6,717,899)	(12,618,332)	(5,151,093)	(4,838,199)
Administrative expenses		(703,285,668)	(577,050,620)	(451,013,871)	(276,431,700)
Finance costs	7	(140,307,822)	(251,080,231)	(52,919,546)	(71,190,239)
Finance income	8	50,610,107	74,991,720	50,610,107	70,885,256
Share of profit / (loss) from associates	17.2	(666,624)	19,946,819	-	-
Gain/(Loss) on Disposal of Subsidiaries, Associates	6	49,712,437	565,848,238	35,000,000	(39,982,139)
Profit/(Loss) before tax	9	(5,110,963)	348,630,234	(356,991,103)	(196,963,851)
Income Tax (Expense) /Reversal	10	(22,548,280)	(125,440,973)	11,316,592	19,616,383
Profit/(Loss) for the year		(27,659,243)	223,189,261	(345,674,511)	(177,347,468)
Basic/Diluted Earning/(Loss) per share	11	(0.04)	0.25	(0.41)	(0.21)
Profit/(Loss) attributable to:					
Equity holders of the owners of the parent		(33,733,614)	214,462,078	(345,674,511)	(177,347,468)
Non-controlling Interest		6,074,371	8,727,184	-	-
Profit/(Loss) for the year		(27,659,243)	223,189,261	(345,674,511)	(177,347,468)

OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit/(Loss) for the year		(27,659,243)	223,189,261	(345,674,511)	(177,347,468)
Other comprehensive Income not to be reclassified to profit or loss in subsequent period :					
Actuarial gain/(loss) on defined benefit plans	27	(3,164,078)	495,502	(1,249,058)	632,151
Deferred tax impact on actuarial gain/(loss)		949,224	(148,651)	374,717	(189,645)
Deferred tax impact on Revaluation		(84,909,369)	-	(36,739,013)	-
Gain arising from Revaluation		283,031,230	-	122,463,375	-
Net other comprehensive income/ (loss) not to be reclassified to profit or loss		195,907,007	346,851	84,850,021	442,506
Other comprehensive income / (loss) for the year, net of tax		195,907,007	346,851	84,850,021	442,506
Total comprehensive (loss) /income for the year, net of tax		168,247,764	223,536,112	(260,824,490)	(176,904,964)
Total comprehensive Income / (loss) attributable to:					
Equity holders of the owners of the parent		162,173,393	214,808,928	(260,824,490)	(176,904,964)
Non-controlling interest		6,074,371	8,727,184	-	-
Total comprehensive (loss) /income for the year, net of tax		168,247,764	223,536,112	(260,824,490)	(176,904,964)

Figures update in brackets indicate deductions.

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 31 MARCH	Note	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	12	3,810,949,259	3,667,486,874	1,135,137,616	14,827,001
Right of use assets	13	143,521,478	73,203,384	-	-
Intangible assets	14	-	25,226,865	-	-
Bearer biological assets	15.1	923,610,700	1,244,977,111	-	-
Consumable biological assets	15.2	113,200,000	112,250,000	-	-
Investment properties	16	-	1,705,192	-	999,000,000
Amounts due from related parties	20	-	40,000,000	-	40,000,000
Investment in subsidiaries	17.1	-	-	1,578,804,322	2,102,152,161
Investment in equity account investees	17.2	24,531,669	47,396,014	52,006,000	67,816,000
Total Non-current assets		5,015,813,106	5,212,245,440	2,765,947,938	3,223,795,162
Current assets					
Inventories	18	34,360,505	43,654,970	3,961,546	3,191,059
Trade and other receivables	19	115,646,753	57,770,981	12,231,278	10,347,017
Amounts due from related parties	20	193,317,512	33,157,625	647,192,881	673,303,797
Advance, deposits and prepayments	21	25,717,643	42,759,985	17,715,575	19,681,964
Tax recoverable		759,408	614,509	311,702	37,802
Short Term Investment	22	21,683,497	50,725,196	-	-
Cash and cash equivalents	23.1	67,198,049	86,374,604	8,603,245	12,887,903
Total Current assets		458,683,367	315,057,870	690,016,227	719,449,542
Total Assets		5,474,496,473	5,527,303,310	3,455,964,165	3,943,244,704
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	24	4,468,573,000	4,468,573,000	4,468,573,000	4,468,573,000
Revaluation Reserves	25	730,051,146	531,929,285	617,653,647	531,929,285
Retained earnings		(2,646,942,287)	(2,610,993,819)	(2,360,493,751)	(2,013,944,899)
Equity attributable to owners of the Company		2,551,681,859	2,389,508,466	2,725,732,896	2,986,557,386
Non controlling interest		382,373,020	406,278,146	-	-
Total equity		2,934,054,879	2,795,786,612	2,725,732,896	2,986,557,386
Non-current liabilities					
Interest bearing loans and borrowings	26	1,089,290,162	840,510,822	308,468,314	-
Deferred tax liability	10	507,355,780	411,166,886	232,774,644	207,726,941
Employee benefit liability	27	40,745,901	30,288,848	4,921,506	3,890,784
Total non-current liabilities		1,637,391,843	1,281,966,556	546,164,464	211,617,725
Current liabilities					
Interest bearing loans and borrowings	26	300,703,683	569,646,596	46,126,144	408,664,058
Trade and other payables	28	357,868,471	387,486,589	62,294,714	52,145,921
Amounts due to related parties	20	239,433,631	487,443,605	70,601,979	279,286,262
Reservation Advance	29	5,043,967	4,973,352	5,043,968	4,973,352
Total Current liabilities		903,049,752	1,449,550,142	184,066,805	745,069,593
Total Equity & liabilities		5,474,496,473	5,527,303,310	3,455,964,165	3,943,244,704

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

I certify that these financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Group Chief Financial Officer

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

Director

04th September 2026

Colombo

Director

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2026

GROUP	Stated capital Rs	Revaluation reserve Rs.	Retained earnings Rs.	Non controlling interest Rs.	Total Rs.
Balance as at 01st April 2024	4,468,573,000	531,929,285	(2,838,319,901)	418,859,930	2,581,042,314
Profit/(Loss) for the year	-	-	214,462,077	8,727,184	223,189,261
Acquisition of Subsidiaries - 3%	-	-	517,154	(15, 517,154)	(15,000,000)
Acquisition of Subsidiaries	-	-	-	30,000,000	30,000,000
Disposal of Subsidiaries	-	-	-	(35,791,814)	(35,791,814)
Adjustment on Impairment of Intangible Assets	-	-	12,000,000	-	12,000,000
Actuarial gain on defined benefit obligation	-	-	495,502	-	495,502
Deferred Tax of Actuarial gain on defined benefit obligation	-	-	(148,651)	-	(148,651)
Balance as at 31 March 2025	4,468,573,000	531,929,285	(2,610,993,819)	406,278,146	2,795,786,612
Profit/(Loss) for the year	-	-	(33,733,614)	6,074,371	(27,659,243)
Disposal of Subsidiaries	-	-	-	(29,979,497)	(29,979,497)
Actuarial gain on defined benefit obligation	-	-	(3,164,078)	-	(3,164,078)
Gain arising from Revaluation of Land and Buildings	-	283,031,230	-	-	283,031,230
Deferred Tax of Actuarial gain on defined benefit obligation	-	-	949,224	-	949,224
Deferred tax on revaluation	-	(84,909,369)	-	-	(84,909,369)
Balance as at 31 March 2026	4,468,573,000	730,051,146	(2,646,942,287)	382,373,020	2,934,054,879

Figures update in brackets indicate deductions.

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY CONTD...

YEAR ENDED 31 MARCH 2026

COMPANY	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01st April 2024	4,468,573,000	531,929,285	(1,837,039,937)	3,163,462,348
Profit/ (Loss) for the year	-	-	(177,347,469)	(177,347,469)
Acturial Gain on Defined Benefit Obligation	-	-	632,151	632,151
Deferred tax on actuarial gain on defined benefit obligation	-	-	(189,645)	(189,645)
Balance as at 31 March 2025	4,468,573,000	531,929,285	(2,013,944,899)	2,986,557,386
Profit/ (Loss) for the year	-	-	(345,674,511)	(345,674,511)
Actuarial gain on defined benefit obligation	-	-	(1,249,058)	(1,249,058)
Deferred tax impact on actuarial gain/(loss)	-	-	374,717	374,717
Gain arising from Revaluation of Land & Buildings	-	122,463,375	-	122,463,375
Deferred tax impact on Revaluation	-	(36,739,013)	-	(36,739,013)
Balance as at 31 March 2026	4,468,573,000	617,653,647	(2,360,493,751)	2,725,732,896

Figures update in brackets indicate deductions.

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2026	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2205 Rs.
Cash flows from operating activities					
Profit/ (Loss) before taxation		(5,110,963)	348,630,235	(356,991,103)	(196,963,851)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	12	128,441,653	279,156,711	12,419,167	5,872,523
Depreciation of right of use assets	13	9,057,161	4,902,864	-	-
Amortization of intangible assets	14	226,865	436,784	-	-
Depreciation of bearer biological assets	15	39,429,418	51,199,780	-	-
Write- off of Beier biological Plant	16	281,936,993	-	-	-
Depreciation of investment properties		-	221,905	-	(43,792,980)
Profit from disposal of property, plant & equipment		18,104	(1,300,000)	-	-
Profit from disposal of right of use assets		(7,400,606)	-	-	-
Profit from disposal of Associates & Subsidiaries	7	(49,712,437)	(565,848,239)	(35,000,000)	39,982,139
Impairment of Subsidiaries		-	-	253,347,839	110,081,151
Finance costs		139,472,381	251,080,231	52,159,372	71,190,239
Finance income		(50,610,107)	(74,948,019)	(50,610,107)	(70,885,256)
Share of Profit from associates		666,624	(19,946,819)	-	-
Fair Value Gain of biological assets	27	(750,000)	-	-	-
Provision for bad Debts		1,342,500	2,627,489.72	1,342,500	2,627,490
Provision for defined benefit obligation		10,569,443	18,975,215	1,391,047	498,001
Operating profit before working capital changes		497,577,029	295,188,139	(121,941,285)	(81,390,544)
(Increase)/ decrease in inventories		9,294,465	96,034,022	(770,487)	(1,775,516)
(Increase)/decrease in trade and other receivables		(59,223,189)	(10,364,059)	(3,226,760)	(5,611,560)
(Increase)/decrease in amounts due from related parties		(157,715,308)	233,841,998	386,920,915	(437,072,679)
(Increase)/decrease in advance and prepayments		17,042,342	(260,763,607)	1,966,389	(3,075,635)
Increase/(decrease) in trade and other payables		50,465,631	(216,736,936)	10,219,408	13,752,606
Increase/(decrease) in amounts due to related parties		(199,762,654)	(340,405,017)	(208,684,283)	264,286,262
Cash flows from/ (used in) operations		157,678,317	(203,205,460)	64,483,897	(250,887,067)
Interest paid		(139,472,381)	(245,877,683)	(52,159,372)	(71,190,239)
Tax paid		(144,899)	-	(273,900)	-
Gratuity paid	27	(3,276,467)	(5,203,790)	(1,609,383)	(705,690)
Net cash flows from operating activities		14,784,570	(454,286,931)	10,441,242	(322,782,996)
Cash flows (used in) / from investing activities					
Acquisition of property, plant and equipment	12	(22,979,237)	(71,713,295)	(11,266,407)	(2,288,559)
Additions to biological assets	15	(200,000)	(116,425,000)	-	-
Additions to right of use assets		(5,812,477)	-	-	-
Additions to Investment Property		-	1,300,000	-	-
Finance income received		50,610,107	74,948,019	50,610,107	70,885,256
Dividend Received		7,711,200	10,080,000	-	-
Proceeds form Disposal of Subsidiaries		-	255,568,029	-	255,568,029
(Investments) fixed deposits	22	29,041,699	(5,032,475)	-	-
Net cash flows from/ (used in) investing activities		58,371,292	148,725,278	39,343,700	324,164,726
Cash flows from/(used in) financing activities					
Repayment of lease liabilities	26	(9,583,525)	(11,308,825)	-	-
Repayments of interest bearing loans and borrowings	26	(199,076,800)	(241,111,463)	(72,201,108)	-
Proceeds from interest bearing loans and borrowings	26	6,000,000	694,247,637	6,000,000	6,000,000
Net Cash flow from Financing Activities		(202,660,325)	441,827,348	(66,201,108)	6,000,000
Net increase/(decrease) in cash and Cash equivalents		(129,504,463)	136,265,695	(16,416,166)	7,381,730
Cash and cash equivalents at the beginning of the year	23	62,493,627	(73,772,068)	10,223,845	2,842,115
Cash and cash equivalents at the end of the year	23	(67,010,836)	62,493,627	(6,192,321)	10,223,845

Figures update in brackets indicate deductions.

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

Hunas Holdings PLC (previously known as Hunas Falls Hotels PLC) is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company is located at No 23, Alfred Place, Colombo 03, and the principal place of the business is situated at Elkaduwa, Kandy. During the year the parent entity infused capital through equity in the form of shares which parent entity owns in other companies to the Company with the intention of augmenting the asset position of the Company.

1.2 CONSOLIDATED FINANCIAL STATEMENTS

The Financial Statements for the year ended 31 March 2026 comprise the financial statements of “the Company”, referring to Hunas Holdings PLC, the holding company, and “the Group”, referring to the Company together with its subsidiaries and the Group’s interests in equity-accounted investees.

1.3 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

Descriptions of the nature of operations and principal activities of the Company, its Subsidiaries, associates and investment in equity shares were as follows.

1.3.1 PARENT COMPANY

HUNAS HOLDINGS PLC

The Company owns and operates Hunas Falls Hotels, which is targeted at the up market leisure travellers.

1.3.2 SUBSIDIARIES

Boulder Gardens (Private) Limited

The principal activity of the Company is to carry on the business in hospitality and tourism projects related activities.

Hunas Properties (Private) Limited

The principal activity of the Company is to carry on the real estate operations. The Company has not yet commenced the commercial operations.

Rainforest Hotels (Private) Limited

The principal activity of the Company is to carry on the business in hospitality and tourism projects related activities.

Sustainable Energy Holdings (Private) Limited

The principal activity of the Company is to carry on the business of operate a mini hydro power plant to generate and supply of electricity to the national grid. The Company has not yet commenced the commercial operations.

Suriyakanda Plantations (Private) Limited

The principal activity of the Company is carrying on the cultivation, manufacturing and sale of tea and other agricultural produce.

Hunas Falls Hotels (Private) Limited

The principal activity of the Company is to carry on the business in hospitality and tourism projects related activities. The Company has not yet commenced the commercial operations.

Kuruganga Hydro (Private) Limited

The principal activity of the Company is to carry on the business of operate a mini hydro power plant to generate and supply of electricity to the national grid.

1.3.3 ASSOCIATES

Eratne Power Company (Private) Limited

The principal activity of the Company is to carry on the business of operation of mini hydro power plant, generate and supply of electricity to the national grid

Mercantile logistics (Private) Limited

The principal activity of the Company is to engage in freight forwarding services.

1.4 PARENT ENTERPRISE AND ULTIMATE

Parent enterprise

The Company’s immediate parent is Serenity Lake Leisure (Pvt) Ltd, whereas, the ultimate parent undertaking and controlling party is TAD Lanka Holdings (Pvt) Ltd.

1.5 DIRECTOR’S RESPONSIBILITY STATEMENT

The responsibility of the Directors in relation to the financial statements is set out in the Statement of Directors’ Responsibility Report in the Annual Report.

ACCOUNTING POLICIES (CONTD.....)

1.6 DATE OF AUTHORIZATION FOR ISSUE

The Consolidated financial statements of Hunas Holdings PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2026 were authorized for issue by the Directors on 04th September 2026.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements of the Company and the Group, which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows together with the accounting policies and notes 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.

2.2 BASIS OF MEASUREMENT

The Financial Statements have been prepared on a historical cost basis except for lands & buildings which are measured at cost at the time of the acquisition and subsequently carried at fair value less accumulated impairment losses recognized after the date of revaluation.

No adjustments have been made for inflationary factors in the Consolidated financial statements.

2.3 GOING CONCERN

During the year ended 31 March 2026, the Company and the Group incurred net losses of Rs. 345.6 Mn and Rs. 27.6 Mn, respectively. As at 31 March 2026, the Group's current liabilities exceeded its current assets by Rs. 444.36 Mn, while the Company's current assets exceeded its current liabilities by Rs. 25.62 Mn. The Group's current liabilities include amounts due to related parties amounting to Rs. 505.95 Mn.

The Company and the Group remain dependent on continued financial support from their lenders, including the continuation of existing credit facilities and access to additional funding, where required, to meet their operational and financing obligations. Notwithstanding these circumstances, the financial statements have been prepared on a going concern basis, as the Board of Directors and management have performed a detailed assessment of the Company's and the Group's ability to continue as a going concern for a period of at least twelve months from the date of signing of these financial

statements. The assessment included consideration of cash flow forecasts, available and expected funding arrangements, repayment obligations and various potential future scenarios.

The Board of Directors and management have considered the following key factors and mitigating actions in assessing the Group's ability to continue as a going concern:

Leisure sector recovery and growth

The Group expects the Leisure sector to experience a gradual recovery and growth in the coming years, supported by improvements in the country's economic conditions, easing of import restrictions and the Government's continued focus on promoting tourism as a key source of foreign exchange earnings. Management expects these factors to support improvements in occupancy, revenue generation and operating cash flows across the Group's Leisure sector.

Improved performance of the Mini Hydro Power segment The Mini Hydro Power segment has demonstrated a significant improvement in financial performance and has contributed positively to the Group's profitability and operating cash flows. Based on the performance of this segment and the availability of suitable investment opportunities, management is evaluating opportunities to expand its investments in mini-hydro and solar power generation projects, which are expected to provide relatively stable operating cash flows and attractive gross profit margins.

Strengthening of Sales and Marketing

During the latter part of the previous financial year, the Group established a dedicated Sales and Marketing function, which was further strengthened at the beginning of the current financial year. The enhanced team is focused on increasing revenue generation, improving market penetration, strengthening the Group's competitive position and supporting the operating performance of its businesses.

Strategic arrangements with Japanese partners

To support the Group's revenue-generation initiatives while managing the incremental costs associated with the expanded Sales and Marketing function, the Group has entered into arrangements with its Japanese partners for the management of two properties operating under the Hunas brand in the Southern region of Sri Lanka. These arrangements extend beyond conventional hotel management and include licensing arrangements under the Hunas brand. Management expects these arrangements to provide opportunities for further

ACCOUNTING POLICIES (CONTD.....)

strategic collaboration and, in due course, may facilitate joint or collaborative investment to support the Group's future development and expansion plans.

Business diversification

In parallel, the Group is assessing opportunities to diversify Hunas Holdings PLC into additional business segments that have the potential to generate more resilient operating cash flows and improve gross and net profitability over the medium to long term.

Support from related parties

The Board of Directors has received confirmation that there are currently no plans to demand settlement of the amounts payable to related parties for a minimum period of twelve months from the date of signing of these financial statements. In the event that any such amounts are called for settlement during the twelve-month period, the Group expects such amounts to be settled in accordance with its available funding and cash flow position without adversely affecting its ability to meet its other financial obligations as and when they fall due. Furthermore, the parent/related party has confirmed its intention to provide the necessary financial support to the Company and its subsidiaries to enable them to meet their obligations as and when they fall due and payable. This undertaking covers a minimum period of twelve months from the date of signing of the financial statements for the year ended 31 March 2026.

Availability of external financing

The Company and the Group expect to obtain short-term and long-term funding from financial institutions, where required, to support their working capital and financing requirements. Management has considered the availability and continuation of existing banking facilities and the ability to obtain additional funding as part of its going concern assessment.

However, the Board has plans to liquidate certain assets of the Company and the Group to generate funds and support their financial obligations and ongoing operations.

Based on the above factors, including the projected operating cash flows, the expected recovery of the Leisure sector, the improved contribution from the Mini Hydro Power segment, the Group's business development initiatives, the availability of external financing and the continued financial support expected from related parties, the Board of Directors has

concluded that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

Accordingly, the Board of Directors has concluded that the use of the going concern basis of preparation is appropriate in preparing these financial statements. The financial statements have therefore been prepared on a going concern basis, which assumes that the Company and the Group will continue their operations in the foreseeable future and will be able to realise their assets and discharge their liabilities in the normal course of business.

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. All values are rounded to the nearest rupee except when otherwise indicated.

2.5 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the Consolidated financial statements.

Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.6 COMPARATIVE INFORMATION

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and classification of the Financial Statement of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 OFFSETTING

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

ACCOUNTING POLICIES (CONTD.....)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION

The Consolidated financial statements encompass the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interest in equity accounted investees (Associates). Subsidiaries and equity accounted investees are disclosed in Note 17 to the financial statements.

3.1.1 SUBSIDIARIES

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:
 - The contractual arrangement(s) with the other vote holders of the investee;
 - Rights arising from other contractual arrangements; and
 - The Group’s voting rights and potential voting right.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or Loss and each component of Other comprehensive

income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. The subsidiaries and their controlling percentages of the Group, which have been consolidated, are as follows:

Subsidiary Name	2026	2025
Suriyakanda Plantations (Pvt) Ltd	100%	100%
Hunas Properties (Pvt) Ltd	100%	100%
Amunumulla Suhadha Electrical Generation Company (Pvt) Ltd	-	100%
Sustainable Energy Holdings (Pvt) Ltd	100%	100%
Hunas Falls Hotels (Pvt) Ltd	100%	100%
Boulder Gardens (pvt) Ltd	90%	90%
Rainforest Hotels (Pvt) Ltd	90%	90%
Kuruganga Hydro (Pvt) Ltd	44%	44%
Ecoray Renewables (Pvt) Ltd	-	90%

3.1.2 ACQUISITION OF SUBSIDIARIES

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended in accordance with SLFRS 3 - Business Combination. Investment subsidiaries are carried at cost less impairments (if any) in the separate financial statements.

3.1.3 EQUITY ACCOUNTED INVESTEEES

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. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

ACCOUNTING POLICIES (CONTD.....)

Investments in its associates are accounted at cost in the Company financial statements. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, The Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associates are shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the statement of profit or loss. Upon loss of significant influence over the associates, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss. Associates of the Group/Company are.

Company Name	2026	2025
Eratne Power Company (Private)Limited	30%	30%
Weswin Power Galaha (Private) Limited	-	20%
Mercantile logistics (Private) Limited	30%	30%

3.2

BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measures the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured 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 Statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of profit or loss.

ACCOUNTING POLICIES (CONTD.....)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading "Non-controlling Interest".

3.3 FOREIGN CURRENCY

3.3.1 TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in Statement of profit or loss.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or nonmonetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.4 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in a normal operating cycle.
 - It is held primarily for the purpose of trading.
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ACCOUNTING POLICIES (CONTD.....)

3.5 PROPERTY, PLANT AND EQUIPMENT

3.5.1 INITIAL RECOGNITION

All property, plant and equipment are initially stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of profit or loss as incurred.

3.5.2 AT SUBSEQUENT MEASUREMENT

Property, plant and equipment other than land and buildings are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Land and Buildings are subsequently measured at fair value less accumulated depreciation and such valuations are carried out by external independent valuers. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognized in Other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the Statement of profit or loss, in which case the increase is recognized in the Statement of profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.5.3 DEPRECIATION

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Asset Category	Years
Buildings and building integrals	5 to 45 Years
Plant and equipment	5 to 20 Years
Kitchen, hotel, sport and laundry equipment	4 to 18 Years
Water supply and sanitation	7 years
Field and factory equipment	8 Years
Electrical equipment	10 to 18 Years
Office equipment	10 to 14 Years
Computer equipment & software	04 to 09 Years
Furniture and fittings	04 to 19 Years
Swimming pool	10 Years
Satellite TV system	02 to 10 Years
Sewerage treatment plant	10 to 20 Years
Motor vehicles	05 Years
Kitchen utensils	04 Years
Cutlery and crockery	02 Years
Linen	02 Years
Road network	20 Years

3.5.4 SUBSEQUENT COSTS

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

3.5.6 DE-RECOGNITION

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is de-recognized. The revaluation surplus included in the equity in respect of an item of property, plant and equipment is transferred directly to equity when the assets are de-recognized.

ACCOUNTING POLICIES (CONTD.....)

3.6 RIGHT OF USE ASSETS AND LEASE LIABILITIES

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.6.1 GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.6.2 BASIS OF RECOGNITION

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lands	27 Years
Motor vehicles	5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

3.6.3 LEASE LIABILITIES

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments

that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Interest bearing loans and borrowings.

3.6.4 SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applied the 'short-term lease' and 'lease of low value assets' recognition exemptions during the year for any lease contracts.

3.7 INTANGIBLE ASSETS

Basis of recognition of an intangible asset is recognized if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following the initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful life of intangible asset is assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

ACCOUNTING POLICIES (CONTD.....)

The useful life of intangible asset is as follows:

Software	05 years
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Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function/nature of the intangible asset. Amortization was commenced when the assets were available for use.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually 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.

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 recognized in the income statement when the asset is derecognized.

3.8 INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. 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 values of investment properties are included in the Statement of profit or loss in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer.

Investment properties are derecognized either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amounts of the asset is recognized in Statement of profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment

property to owner occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.9 BIOLOGICAL ASSETS

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea and other plantations are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea and other plantations, being biological assets that are not intended to be sold or harvested, but are used to grow for purpose of harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

3.9.1 BEARER BIOLOGICAL ASSET

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations.

3.9.2 CONSUMABLE BIOLOGICAL ASSET

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

ACCOUNTING POLICIES (CONTD.....)

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to biological asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.10 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

3.10.1 FINANCIAL ASSETS

3.10.1.1 INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at 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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. 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 determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.10.1.2 SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss Financial assets at amortised cost (debt instruments).

This category is the most relevant to the Group. 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 loan to an employees included under other non-current financial assets.

3.10.1.3 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OCI (EQUITY INSTRUMENTS)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to

ACCOUNTING POLICIES (CONTD.....)

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.

3.10.1.4 DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e: removed from the Group's consolidated financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.10.1.5 IMPAIRMENT OF FINANCIAL ASSETS

Further disclosures relating to impairment of financial assets are also provided in the following notes:

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 an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivable the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For this purpose, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted, if any; for forward-looking factors specific to each debtor and the economic characteristics. Company is making a 100% provision for all the debtors aged more than 180 days.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.10.2 FINANCIAL LIABILITIES

3.10.2.1 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, bank overdrafts, loans and borrowings.

3.10.2.2 SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as described below:

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3.10.2.3 LOANS AND BORROWINGS

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the Statement of 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 in finance costs in the Statement of profit or loss.

3.10.2.4 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 a 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.

3.10.3 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if There is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same; and
- A discounted cash flow analysis or other valuation models.

3.11 INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials: Purchase cost on a weighted average basis.

Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A longterm growth rate is calculated and applied to project future cash flows after the fifth year.

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Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 recognized in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where 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. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognized 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.

3.15 EMPLOYEE BENEFITS

3.15.1 DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an employee benefit expense in Statement of Profit or Loss in the periods during which services are rendered by employees. The Company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

3.15.2 DEFINED BENEFIT PLAN

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Current service cost interest cost are recognized in the statement of profit or loss while any actuarial gains or losses arising are recognized in other comprehensive income.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 27. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, 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 liability is not externally funded.

3.16 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

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The specific recognition criteria described below must also be met before revenue is recognised.

3.16.1 ROOM, FOOD AND BEVERAGE

Revenue

Room revenue is recognized on the rooms occupied on a daily basis and food and beverage and other hotel related sales are accounted for at the point of sales.

3.16.2 INTEREST INCOME

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

3.16.3 GAINS AND LOSSES

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognized net within "other income" in profit or loss.

3.16.4 OTHERS

Other income is recognised on an accrual basis.

3.17 EXPENSES

Expenses are recognized in the Statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to Statement of profit or loss in the year in which the expenditure is incurred.

3.17.1 FINANCE COSTS

Finance costs comprise interest expense on borrowings and exchange loss on foreign currency transactions which have been recognized in the Statement of profit or loss when arriving at the profit for the year.

3.18 TAX EXPENSE

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of

profit or loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive income.

3.18.1 CURRENT TAX

Current income tax assets and liabilities 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 tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. 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.

3.18.2 DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except: When the deferred tax liability or asset arises from the initial recognition of goodwill or 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.

In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee 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. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee 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

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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 profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised

in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax on dividend income from subsidiaries is recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

3.19 STATED CAPITAL

3.19.1 ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.20 NON-CONTROLLING INTEREST

The total profit or loss for the year of the Company and its subsidiaries included in the consolidation is presented in the Statement of Profit or Loss. The portion of profit or loss after tax attributable to non-controlling interests is separately presented as "Non-controlling Interest". All assets and liabilities of the Company and its subsidiaries included in the consolidation are presented in the Statement of Financial Position. The interests of non-controlling shareholders in the net assets of subsidiaries are presented separately in the Statement of Financial Position under "Non-controlling Interest".

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on the proportionate share of the subsidiary's net assets. No adjustments are made to goodwill, and no gain or loss is recognized in profit or loss.

4 GENERAL

4.1 EVENTS OCCURRING AFTER THE REPORTING DATE

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

4.2 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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4.3 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.4 NEW AND AMENDED STANDARDS AND THAT ARE EFFECTIVE FOR THE CURRENT YEAR.

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted

The potential impact of SLFRS 19 is currently being identified and evaluated.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

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The amendments are not expected to have a material impact on the financial statements

ANNUAL IMPROVEMENTS TO SRI LANKA ACCOUNTING STANDARDS

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

4.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

4.5.1 PROVISION FOR EXPECTED CREDIT LOSSES OF TRADE RECEIVABLES

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical.

observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

4.5.2 REVALUATION OF LAND AND BUILDINGS

The Group measures lands and buildings which are recognised as property, plant & equipment at revalued amount with change in value being recognised in the Statement of Other comprehensive income. The valuer has used valuation techniques such as open market value. Further details on Revaluation of land and buildings are disclosed in Note 12.2 to the financial statements.

4.5.3 FAIR VALUATION OF CONSUMABLE BIOLOGICAL ASSETS

The fair value of managed timber depends on number of factors that are determined on a discounted method using various financial and nonfinancial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets.

4.5.4 BEARER BIOLOGICAL ASSETS

A mature plantation is an area of land developed with crops such as tea and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.5.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATIONS

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

4.5.6 TAXES

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.6 FAIR VALUE MEASUREMENT

The Group measures lands and buildings at fair value. Fair value related disclosures for financial and non-financial assets that are measured at fair value are summarized in the following notes:

- Lands and buildings under revaluation model - Note 12.2
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

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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; and
- 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 at a fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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's Management determines the policies and procedures for recurring fair value measurement, such as land and buildings.

External valuers are involved for valuation of Lands and buildings. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
5. Revenue					
Revenue from contracts with customers	5.1	877,849,334	1,338,891,659	89,780,075	102,640,738
Tourism development levy		(898,414)	(1,043,419)	(898,414)	(1,043,419)
Turnover tax		(898,414)	(1,043,419)	(898,414)	(1,043,419)
SSCL Tax		(2,454,544)	(2,067,186)	(2,454,544)	(2,067,186)
		873,597,962	1,334,737,635	85,528,703	98,486,714
5.1 Revenue from contracts with customers over time/period of stay					
Room revenue		66,992,060	73,671,339	50,728,664	57,641,543
At a point of time					
Food and beverage income		49,449,508	57,069,890	39,051,411	44,999,195
Tea and coffee sales income		319,529,016	783,485,014	-	-
Spices sales income		-	1,131,075	-	-
Income from power generation		441,878,750	423,534,341	-	-
Total revenue from contracts with customers		877,849,334	1,338,891,659	89,780,075	102,640,738
	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
6 Other income (net)					
Hotel related other income		102,280	1,582,944	102,280	1,582,944
Rent income		3,809,700	3,305,772	-	-
Dividend income		-	-	7,711,200	10,080,000
Disposal Gain/(Loss) of Right of use assests		7,400,606	-	-	-
Disposal Gain/(Loss) of Property Plant and equipment		-	1,300,000	-	-
Disposal Gain/(Loss) of Biological Assets		-	5,502,023	-	-
Fair value gain on Biological Assets		750,000	-	-	43,792,980
Write Back of Payables		284,117,786	74,590,711	-	-
Other income		6,994,366	56,503,641	2,087,649	-
		303,174,738	142,785,091	9,901,129	55,455,924
Disposal Gain/(Loss) of Subsidiary		48,388,958	570,906,509	35,000,000	(40,895,139)
Disposal Gain/(Loss) of Associate		1,323,479	(5,058,271)	-	913,000
		49,712,437	565,848,238	35,000,000	(39,982,139)
		352,887,175	708,633,329	44,901,129	15,473,785

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
7 Finance cost					
Interest expense on bank overdrafts		6,693,836	9,923,855	785,648	405,399
Interest expense on leases		1,006,182	5,202,548	-	-
Interest expense on borrowings		131,772,363	235,822,621	51,373,724	70,784,840
Credit card commission		834,688	123,836	760,174	-
Foreign exchange loss		753	7,371	-	-
		140,307,822	251,080,231	52,919,546	71,190,239

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
8 Finance income					
Interest income		50,610,107	74,948,019	50,610,107	70,841,555
Foreign exchange gain on USD savings account		-	43,701	-	43,701
		50,610,107	74,991,720	50,610,107	70,885,256

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
9 Profits/(Loss)from operations					
Profit/(Loss) from operations is stated after charging all expenses including the following					
Included in cost of sales					
Employee benefits					
- Defined Contribution Plan costs - EPF & ETF		5,936,405	5,351,122	-	-
- Defined Benefit Plan costs - Gratuity		1,615,114	1,130,152	1,391,047	1,130,152
Included in administrative expenses					
Employee benefits					
- Defined Benefit Plan costs - Gratuity		5,356,325	9,415,434	-	-
- Defined Contribution Plan costs - EPF & ETF		13,291,540	10,573,756	10,207,443	7,396,693
Depreciation		128,441,654	112,048,632	12,419,167	5,872,523
Management fees		66,000,000	113,050,000	-	4,800,000
Audit and professional fees		3,042,201	5,425,145	1,660,085	3,192,000
Included in marketing and promotional expenses					
Marketing and sales promotions		4,386,289	3,829,634	4,364,416	3,547,850

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
10 Income tax expense					
Statement of profit and loss					
Current Income Tax					
Current income tax charge	10.1	10,170,031	22,945,780	-	273,900
Adjustments in respect of current income tax of previous year		149,501	287,267	-	-
		10,319,532	23,233,047	-	273,900
Deferred Tax					
Relating to origination and reversal of temporary differences	10.2	12,228,748	102,207,926	(11,316,592)	(19,890,283)
Income tax expense reported in the statement of profit or loss		22,548,280	125,440,973	(11,316,592)	(19,616,383)
Other comprehensive income					
Deferred tax related to items recognized in OCI during in year;					
On actuarial gains and losses		(949,224)	(148,651)	(374,717)	(189,645)
Deferred tax impact on revaluation gain		84,909,369	-	36,739,013	-
Deferred tax charged to OCI		83,960,145	(148,651)	36,364,296	(189,645)
Total income tax expense reported in statement of profit or loss and other comprehensive income		106,508,424	125,292,323	25,047,703	(19,806,029)

The income tax provision of Hunas Holdings PLC, its subsidiaries, and equity-accounted investees that are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended from time to time.

Hunas Holdings PLC, being a Group engaged in the promotion of tourism and having operations in hydropower generation, tea plantations, real estate, and logistics, is subject to income tax at the standard rate of 30% in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended from time to time.

The Group has recognized the necessary adjustments relating to income tax payable or receivable balances pertaining to prior years.

Companies liable to income tax at standard rate

Hospitality companies

The business profits and income of Hunas Holdings PLC, Rainforest Hotels (Pvt) Ltd, and Boulder Gardens (Pvt) Ltd, which are engaged in the promotion of tourism, are subject to income tax at the standard rate of 30% in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended from time to time.

Plantations

The business profits and income of Suriyakanda Plantations (Pvt) Ltd, which is engaged in plantation activities, are subject to income tax at the standard rate of 30% in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended from time to time.

Renewal Energy

The business profits and income of Sustainable Energy Holdings (Pvt) Ltd and Kuruganga Hydro (Pvt) Ltd, which are engaged in hydropower generation activities, are subject to income tax at the standard rate of 30% in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, as amended from time to time.

Tax losses carried forward

As per Section 19 of the Inland Revenue Act No. 24 of 2017, as amended from time to time, unclaimed tax losses incurred from business or investment activities may be carried forward for a period of up to six years. The companies within the Group assess the recoverability of such unclaimed tax losses based on forecasts of future taxable profits, and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Deferred tax assets recognised in respect of tax losses are reviewed at each reporting date based on the latest taxable profit forecasts and are reduced to the extent that the recoverable amount is no longer supportable.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
10.1 A reconciliation of tax expense and the accounting profit multiplied by the statutory tax rate is as follows :					
Profit Before Tax		(5,110,964)	348,630,234	(356,991,103)	(196,963,851)
Other Consolidation Adjustments		(266,918,085)	(433,883,138)	-	-
Profit Before Income Tax Before Adjustments		(272,029,049)	(85,252,903)	(356,991,103)	(196,963,851)
Aggregate Disallowable Expenses		448,746,496	134,613,927	319,879,074	232,480,004
Aggregate Allowable Expenses		(211,076,520)	(254,239,801)	(41,244,224)	(129,367,199)
Aggregate Other Income		(50,779,961)	913,000	(58,389,391)	913,000
Statutory Income/(loss) from Business		(85,139,034)	(203,965,777)	(136,745,645)	(92,938,046)
Taxable Aggregate Other Income		-	913,000	-	913,000
Total Statutory Income		(85,139,034)	(203,052,777)	(136,745,645)	(92,025,046)
Brought Forward Loss Claimed during the Year		(100,884,342)	(77,204,898)	-	-
Tax losses incurred during the year		219,923,479	356,743,609	136,745,645	92,938,046
Taxable Income/(Loss)		33,900,103	76,485,934	-	913,000
Income Tax at 30%		10,170,031	22,945,780	-	273,900
/		10,170,031	22,945,780	-	273,900
Tax Losses					
Tax Losses Brought Forward		(1,859,454,198)	(1,710,705,679)	(376,136,816)	(253,143,882)
Adjustments to opening balance		923,164,010	(152,016,833)	83,662,978	(37,474,096)
Tax Losses during the year		(219,923,479)	(356,743,609)	(136,745,645)	(92,938,046)
Tax Losses witten-off		45,456,471	282,807,026	39,271,185	7,419,209
Tax Losses Utilised		100,884,342	77,204,898	-	-
Reversal due to disposal of Subsidiary		(241,451)	-	-	-
		(1,010,114,305)	(1,859,454,198)	(389,948,298)	(376,136,816)

Tax losses for which no deferred tax asset has been recognised expire as follows:

	Group		Company	
	2025/2026 Rs.	Expiry Date Rs.	2025/2026 Rs.	Expiry Date Rs.
Tax losses for which no deferred tax asset has been recognised	717,653,289	2026/27- 2033/34	97,487,282	2026/27- 2033/34

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

10 Income tax expense (Contd...)

10.2 Deferred tax assets and liabilities relates to the followings - Group

	2026		2025	
	Temporary difference Rs.	Deferred tax Rs.	Temporary difference Rs.	Deferred tax Rs.
Deferred tax liability				
Property, plant and equipment excluding revaluation	981,462,637	294,438,791	757,352,006	227,205,602
Revaluation of property, plant and equipment	1,042,930,209	312,879,063	1,049,346,178	314,803,853
	2,024,392,846	607,317,854	1,806,698,184	542,009,455
Deferred tax assets				
Employee benefit liability	(40,745,902)	(12,223,770)	(33,886,852)	(10,166,055)
Carried forward tax losses	(292,461,016)	(87,738,305)	(402,255,047)	(120,676,514)
	(333,206,918)	(99,962,075)	(436,141,898)	(130,842,569)
	1,691,185,928	507,355,779	1,370,556,285	411,166,886
Unrecognized Deferred Tax Asset				

The deferred tax asset arising from accumulated tax losses carried forward is recognized only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized.

The Group has not recognized deferred tax assets in respect of tax losses amounting to Rs. 97,487,282 of Hunas Holdings PLC, Rs. 515,178,671 of Suriyakanda Plantations (Pvt) Ltd, Rs. 1,999,623 of Hunas Properties (Pvt) Ltd, Rs. 51,703,021 of Boulder Gardens (Pvt) Ltd, Rs. 17,945,878 of Rainforest Hotels (Pvt) Ltd, and Rs. 33,338,814 of Hunas Falls Hotels (Pvt) Ltd. In addition, deferred tax assets arising from other deductible temporary differences in these companies have also not been recognized, as management considers that the realization of these deferred tax assets is remote.

	Group	
	2026 Rs.	2025 Rs.
Deferred Tax (assets) / liabilities		
Balance as at 01 April	411,166,886	344,807,531
Disposal of Subsidiaries	-	(35,997,222)
Deferred tax charge/ (reversal) - statement of profit or loss	12,228,748	102,207,926
Deferred tax charge/ (reversal) - statement of other comprehensive income	83,960,146	148,651
Balance as at 31 March	507,355,780	411,166,886
Included in :		
Deferred tax asset	-	-
Deferred tax liability	507,355,780	411,166,886
	507,355,780	411,166,886

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

10 Income tax expense (Contd...)

10.3 Deferred tax assets and liabilities relates to the followings - Company

	2026		2025	
	Temporary difference Rs.	Deferred tax Rs.	Temporary difference Rs.	Deferred tax Rs.
Deferred tax liability				
Property, plant and equipment excluding land and buildings	190,935,651	57,280,695	7,162,567	2,148,770
Revaluation of land and buildings	882,362,354	264,708,706	999,000,000	299,700,000
	1,073,298,005	321,989,401	1,006,162,567	301,848,770
Deferred tax assets				
Employee benefit liability	(4,921,506)	(1,476,452)	(3,890,784)	(1,167,235)
Carried forward tax losses	(292,461,016)	(87,738,305)	(309,848,645)	(92,954,594)
	(297,382,522)	(89,214,757)	(313,739,429)	(94,121,829)
	775,915,483	232,774,644	692,423,138	207,726,941

	Company	
	2026 Rs.	2025 Rs.
Deferred Tax (assets) / liabilities		
Balance as at 01 April	207,726,941	227,427,579
Deferred tax charge/ (reversal) - Statement of profit or loss	(11,316,592)	(19,890,283)
Deferred tax charge/ (reversal) - Statement of other comprehensive income	36,364,295	189,645
Balance as at 31 March	232,774,644	207,726,941

Unrecognized Deferred Tax Asset

The Company has not recognized deferred tax assets in respect of tax losses amounting to Rs. 97,487,282. In addition, deferred tax assets arising from other deductible temporary differences have also not been recognized, as management considers that the realization of these deferred tax assets is remote.

11 Earnings/(Loss) per share

11.1 Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

11.2 The following reflects the income and share data used in the Basic earning/(loss) per share computation.

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Amount used as the numerator:				
Profit/(Loss) attributable to ordinary shareholders for basic loss per share	(33,733,613)	214,462,077	(345,674,511)	(177,347,468)
Number of ordinary shares used as denominator:	2026 Number	2025 Number	2026 Number	2025 Number
Weighted average number of ordinary shares in issue	849,030,000	849,030,000	849,030,000	849,030,000
Basic/Dialuted Earning/(Loss) per share	(0.04)	0.25	(0.41)	(0.21)

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

12 Property, plant and equipment - Group

	Balance as at 01.04.2025	Additions	Disposals	Revaluation	Adjustment to Revaluation	Transfers	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.
At cost/valuation							
Lands	658,663,008	-	-	226,850,252	-	3,503,800	889,017,060
Buildings and building integrals	2,738,233,923	7,809,331	-	56,180,978	(27,314,065)	-	2,774,910,167
Plant and equipment	489,424,775	682,475	-	-	-	-	490,107,250
Water supply and sanitation	2,013,722	-	-	-	-	-	2,013,722
Field and factory equipment	3,328,410	11,750	-	-	-	-	3,340,160
Kitchen, hotel, sport and laundry equipment	20,247,805	25,000	-	-	-	-	20,272,805
Electrical equipment	13,028,917	747,106	(48,500)	-	-	-	13,727,523
Office equipment	5,376,029	384,435	-	-	-	-	5,760,464
Computer equipment and software	19,419,032	874,836	(37,500)	-	-	-	20,256,368
Furniture and fittings	43,008,145	936,464	-	-	-	-	43,944,609
Swimming pool	17,352,177	-	-	-	-	-	17,352,177
Satellite TV system	3,445,799	-	-	-	-	-	3,445,799
Sewerage treatment plant	4,572,486	-	-	-	-	-	4,572,486
Motor vehicles	2,752,357	7,711,864	-	-	-	-	10,464,221
Linen	9,624,486	1,008,487	(215,000)	-	-	-	10,417,973
Kitchen utensils	1,105,949	44,475	-	-	-	-	1,150,424
Cutlery and crockery	3,519,553	64,250	-	-	-	-	3,583,803
Road network	6,301,003	-	-	-	-	-	6,301,003
Total value of depreciable assets	4,041,417,574	20,300,473	(301,000)	283,031,230	(27,314,065)	3,503,800	4,320,638,014
Construction in progress							
Buildings	213,929,300	2,678,764	-	-	-	(93,992,363)	122,615,701
	213,929,300	2,678,764	-	-	-	(93,992,363)	122,615,701
Total	4,255,346,874	22,979,237	(301,000)	283,031,230	(27,314,065)	(90,488,563)	4,443,253,715

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

12 Property, plant and equipment - Group (Contd..)

	Balance as at 01.04.2025 Rs.	Charge for the year Rs.	Disposals Rs.	Revaluation	Adjustment to Revaluation	Transfers Rs.	Balance as at 31.03.2026 Rs.
Depreciation							
Buildings and building integrals	295,083,433	100,765,124	-	-	(27,314,065)	(56,400,840)	312,133,652
Plant and equipment	161,458,980	22,093,668	-	-	-	-	183,552,648
Water supply and sanitation	2,013,722	-	-	-	-	-	2,013,722
Field and factory equipment	2,859,983	33,638	-	-	-	-	2,893,621
Kitchen, hotel, sport and laundry equipment	18,367,967	468,868	-	-	-	-	18,836,835
Electrical equipment	6,457,824	1,161,529	(29,796)	-	-	-	7,589,557
Office equipment	2,613,893	302,752	-	-	-	-	2,916,645
Computer equipment and software	18,048,359	503,456	(37,500)	-	-	-	18,514,315
Furniture and fittings	38,589,698	1,635,427	-	-	-	-	40,225,125
Swimming pool	17,350,578	1,598	-	-	-	-	17,352,176
Satellite TV system	3,445,799	-	-	-	-	-	3,445,799
Sewerage treatment plant	3,440,570	236,690	-	-	-	-	3,677,259
Motor vehicles	853,733	256,330	-	-	-	-	1,110,063
Mechanical Equipment	58,000	-	-	-	-	(58,000)	-
Linen	9,296,981	561,775	(215,000)	-	-	-	9,643,757
Kitchen utensils	1,079,758	33,844	-	-	-	-	1,113,602
Cutlery and crockery	3,445,742	71,906	-	-	-	-	3,517,649
Road network	3,452,982	315,048	-	-	-	-	3,768,030
Total depreciation	587,918,002	128,441,653	(282,296)	-	(27,314,065)	(56,458,840)	632,304,455

Net book values	2026	2025
At cost/valuation		
Freehold land	889,017,060	658,663,008
Buildings and building integrals	2,462,776,515	2,443,150,490
Plant and equipment	306,554,603	327,965,796
Field and Factory Equipment	446,539	468,427
Kitchen, hotel, sport and laundry equipment	1,435,970	1,879,838
Electrical equipment	6,137,966	6,571,093
Office equipment	2,843,819	2,762,136
Computer equipment & software	1,742,053	1,370,673
Furniture and fittings	3,719,484	4,418,447
Swimming pool	-	1,599
Sewerage treatment plant	895,227	1,131,916
Motor vehicles	9,354,158	1,898,624
Linen	774,216	327,504
Kitchen utensils	36,821	26,191
Cutlery and crockery	66,154	73,811
Road network	2,532,973	2,848,021
Total carrying amount of property, plant and equipment	3,688,333,558	3,453,557,574
Construction in progress		
Buildings	122,615,701	213,929,300
	122,615,701	213,929,300
Total carrying amount of property, plant and equipment	3,810,949,259	3,667,486,874

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

12 Property, plant and equipment - Group (Contd..)

12.1 During the financial year, the Group acquired Property, plant and equipment to the aggregate value of Rs. 22,979,237/- (2025 - Rs. 65,080,662/-), whereas full consideration was settled in cash during the same period.

12.2 The fair value of freehold lands and buildings was determined by means of a revaluation for the financial year 2025/2026 by Mr. W. M. Chandrasena FIV (Sri Lanka), Chartered Valuation Surveyor, an independent valuer in reference to market based evidence. The valuer has made reference to market evidence of transacted prices for similar size and location and to Sri Lanka Accounting Standard LKAS 16 Property, Plant & Equipment, LKAS 40 and SLFRS 13 together with valuation standards. Land and buildings acquired at acquisition of subsidiaries are stated at fair value at the acquisition date. Management has determine that the carrying value of the assets approximate the fair value as at 31 March 2026.

Company	Location	Last Revaluation Date	Land Extent	Estimated price per perch (Significant unobservable inputs) Rs. / Equivalent Rs	Fair Value as at 31.03.2026		No of Building	Level of Fair Value Hierarchy
					Land	Buiding		
Hunas Holdings PLC	Kandy	31st March 2026	49A-0R- 6P	50,000	270,000,000	891,000,000	12	Level 3
Boulder Gardens (Private) Limited	Kalawana	31st March 2026	5A-0R- 6.5P	300,000	258,000,000	192,000,000	18	Level 3
Rainforest Hotels (Private) Limited	Kalawana	31st March 2026	7A-0R- 10P	350,000	88,000,000	102,000,000	16	Level 3
Hunas Property (Pvt) Ltd	Kandy	31st March 2026	64A-1R- 9P	50,000	111,000,000	-	-	Level 3

Valuation technique and significant unobservable inputs

Valuation techniques	Significant unobservable inputs	Inter -relationship between Significant unobservable inputs and fair value measurement
Market approach; This method estimates the fair value of a property by considering the recent selling prices of comparable properties in the market. The valuation is based on recent market transactions involving similar assets, with appropriate adjustments made for differences in factors such as size, nature, location, condition, accessibility, and other relevant characteristics of the property being valued. Transactions identified as outliers, including those involving particularly motivated buyers or sellers, are adjusted or excluded where appropriate, as such prices may not represent fair market value.	Price per perch, Adjustments for location, quality of improvements, Adjustments for marketability and development potential	The estimated fair value increases with higher comparable market prices and favourable adjustments (e.g., superior location, better accessibility, higher development potential). Conversely, the estimated fair value decreases with larger downward adjustments for inferior location, irregular shape, poor accessibility, adverse physical characteristics, or lower marketability compared with the comparable properties.

12.3 The capital work in progress represents projects in progress.

12.4 During the year under review, the group has not capitalized any borrowing cost.

12.5 The gross carrying amount of fully depreciated property, plant and equipment still in use as at 31st March 2026 is Rs. 192,751,429

12.6 There were no temporarily idle property, plant & equipments as at the reporting date

12.7 There were no items of Property, Plant & Equipment pledged as security as at 31 March 2026 other than disclosed in Note 31

12.8 Each company in the Group has evaluated both internal and external indicators of impairment of long lived assets and has not identified presence of any of such indicators at the end of the financial year

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

12.9 Property, plant and equipment - Group (Contd..)

The carrying amount of revalued assets that would have been included in the financial statements of the group had the assets been carried at cost less depreciation is as follows:

	2026	2025
	Rs.	Rs.
Land	584,285,807	584,285,807
Buildings	2,471,315,077	2,463,505,746
	3,055,600,884	3,047,791,553
(-) Accumulated depreciation	(420,994,974)	(298,136,182)
Net book value as at 31 March	2,634,605,910	2,749,655,371

	Effective date on valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets measured at fair value:					
As at 31 March 2026					
Non financial assets					
Lands	31 March 2026	889,017,060	-	-	889,017,060
Buildings	31 March 2026	2,462,776,515	-	-	2,462,776,515
Non financial assets as at 31 March 2026		3,351,793,575	-	-	3,351,793,575
As at 31 March 2025					
Non financial assets					
Lands	31 March 2023	658,663,008	-	-	658,663,008
Buildings	31 March 2023	2,443,150,490	-	-	2,443,150,490
Non financial assets as at 31 March 2025		3,101,813,498	-	-	3,101,813,498

12 Property, plant and equipment - Company

	Balance as at 01.04.2025	Additions	Revaluation	Adjustment to Revaluation	Disposal	Transfer to investment property	Balance as at 31.03.2026
	Rs.	Rs	Rs	Rs		Rs	Rs.
At cost/valuation							
Freehold land	-	-	6,337,500	-	-	252,662,500	259,000,000
Buildings and building integrals	-	-	116,125,876	(7,463,376)	-	746,337,500	855,000,000
Plant and equipment	32,146,547	395,687	-	-	-	-	32,542,234
Kitchen, hotel, sport and laundry equipment	16,700,838	25,000	-	-	-	-	16,725,838
Electrical equipment	7,175,098	441,339	-	-	-	-	7,616,437
Office equipment	1,196,718	39,500	-	-	-	-	1,236,218
Computer equipment and software	17,727,163	547,186	-	-	-	-	18,274,349
Furniture and fittings	35,789,803	877,664	-	-	-	-	36,667,467
Swimming pool	17,352,176	-	-	-	-	-	17,352,176
Satellite TV system	3,445,799	-	-	-	-	-	3,445,799
Sewerage treatment plant	4,572,486	-	-	-	-	-	4,572,486
Motor vehicles	1,470,707	7,711,864	-	-	-	-	9,182,571
Linen	8,022,266	634,952	-	-	-	-	8,657,218
Kitchen utensils	1,105,949	44,475	-	-	-	-	1,150,424
Cutlery and crockery	3,054,130	48,740	-	-	-	-	3,102,870
Road network	6,301,003	-	-	-	-	-	6,301,003
Total value of depreciable assets	156,060,684	10,766,407	122,463,376	(7,463,376)		999,000,000	1,280,827,090

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12 Property, plant and equipment - Company

	Balance as at 01.04.2025	Charge for the year	Revaluation	Adjustment on revaluation	Disposals	Transfer to investment property	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Depreciation							
Buildings and building integrals	-	7,463,376	(7,463,376)	-	-	-	-
Plant and equipment	30,676,530	1,092,368	-	-	-	-	31,768,898
Kitchen, hotel, sport and laundry equipment	15,991,847	389,843	-	-	-	-	16,381,690
Electrical equipment	4,352,608	791,405	-	-	-	-	5,144,013
Office equipment	1,104,071	41,022	-	-	-	-	1,145,093
Computer equipment & software	17,157,108	360,157	-	-	-	-	17,517,265
Furniture and fittings	33,325,121	1,123,869	-	-	-	-	34,448,990
Swimming pool	17,350,578	1,598	-	-	-	-	17,352,176
Satellite TV system	3,445,799	-	-	-	-	-	3,445,799
Sewerage treatment plant	3,440,570	236,690	-	-	-	-	3,677,259
Motor vehicles	1,470,707	-	-	-	-	-	1,470,707
Linen	7,703,861	527,248	-	-	-	-	8,231,110
Kitchen utensils	1,079,758	33,844	-	-	-	-	1,113,602
Cutlery and crockery	3,015,694	42,699	-	-	-	-	3,058,394
Road network	3,452,981	315,048	-	-	-	-	3,768,029
Total depreciation	143,567,232	12,419,167	(7,463,376)	-	-	-	148,523,025

12 Property, plant and equipment - Company

	2026	2025
	Rs.	Rs.
Net book values		
Freehold land	259,000,000	-
Buildings and building integrals	855,000,000	-
Plant and equipment	773,337	1,470,018
Kitchen, hotel, sport and laundry equipment	344,148	708,991
Electrical equipment	2,472,424	2,822,490
Office equipment	91,125	92,647
Computer equipment & software	757,084	570,055
Furniture and fittings	2,218,478	2,464,683
Swimming pool	-	1,598
Sewerage treatment plant	895,227	1,131,916
Motor vehicles	7,711,865	-
Linen	426,108	318,404
Kitchen utensils	36,821	26,191
Cutlery and crockery	44,476	38,436
Road network	2,532,974	2,848,022
Total carrying amount of property, plant and equipment	1,132,304,067	12,493,452
Construction in progress		
Buildings	2,333,549	2,333,549
Addition during year	500,000	-
	2,833,549	2,333,549
Total carrying amount of property, plant and equipment	1,135,137,616	14,827,001

During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 11,266,408/-(2025 - Rs.2,288,559/-), whereas full consideration was settled in cash during the same period.

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12.9 Property, plant and equipment - Company (Contd..)

12.10	The capital work in progress represents projects in progress.
12.11	During the year under review, the company has not capitalized any borrowing cost.
12.12	The gross carrying amount of fully depreciated property, plant and equipment still in use as at 31st March 2026 is Rs.131,554,623.
12.13	There were no temporarily idle property, plant & equipments as at the reporting date
12.14	There were no items of Property, Plant & Equipment pledged as security as at 31 March 2026 other than disclosed in Note 31
12.15	The company has evaluated both internal and external indicators of impairment of long lived assets and has not identified presence of any of such indicators at the end of the financial year.
12.16	The carrying amount of revalued assets that would have been included in the financial statements of the group had the assets been carried at cost less depreciation is as follows:

	2026	2025
	Rs.	Rs.
Land	114,525,000	114,525,000
Buildings	290,651,823	290,651,823
	405,176,823	405,176,823
(-) Accumulated depreciation	(117,476,547)	(110,013,171)
Net book value as at 31 March	287,700,276	295,163,652

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	Note	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
13 Right of Use Assets					
Cost					
Balance as at 01 of April		99,302,504	99,302,504	-	-
Additions		79,686,514	-	-	-
Disposal		(7,517,000)	-	-	-
Balance as at 31 March		171,472,018	99,302,504	-	-
Depreciation					
Balance as at 01 of April		26,099,120	21,196,256	-	-
Disposal		(7,205,741)	-	-	-
Amortization for the year		9,057,161	4,902,864	-	-
Balance as at 31 March		27,950,540	26,099,120	-	-
Net book value as at 31 March		143,521,478	73,203,384	-	-

The Group has lease contracts with Hapugasthanna Plantations PLC for leased lands.

13.1	Nature of the property	Company	Lessor	Lease Term	Annual rental
	Land	Suriyakanda Plantations (Private) Limited	Hapugasthanna Plantations PLC	2020 - 2045	9,117,000

13.2 Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Lands Rs.	Total Rs.
As at 01 April 2025	73,203,384	73,203,384
Depreciation expenses	(9,057,161)	(9,057,161)
Additions	79,686,514	79,686,514
Disposal	(311,259)	(311,259)
As at 31 March 2026	143,521,478	143,521,478

13.3 Amounts recognized in profit or loss in respect of ROU Assets:

	2026 Rs.	2025 Rs.
Depreciation expense of right-of-use assets	9,057,161	4,902,864
Interest expense on lease liabilities	1,006,182	5,202,548
Total amount recognized in profit or loss	10,063,343	10,105,412

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14 Intangible assets - Group

	Software Rs.	License Rs.	2026 Rs.	2025 Rs.
Cost				
Balance as at 01 of April	1,611,000	25,000,000	26,611,000	27,111,000
Disposal of subsidiaries	-	(25,000,000)	(25,000,000)	(500,000)
Balance as at 31 March	1,611,000	-	1,611,000	26,611,000
Amortization				
Balance as at 01 of April	1,384,135	-	1,384,135	1,259,851
Disposal	-	-	-	(312,500)
Charge for the year	226,865	-	226,865	436,784
Balance as at 31 March	1,611,000	-	1,611,000	1,384,135
Net book value	-	-	-	25,226,865

15 Biological assets

15.1 Bearer biological assets

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 01 of April	1,244,977,111	1,179,751,891	-	-
Additions	-	116,425,000	-	-
Write off during the period	(281,936,993)	-	-	-
Amortization	(39,429,418)	(51,199,780)	-	-
Balance as at 31 March	923,610,700	1,244,977,111	-	-

15.2 Consumable biological assets

Balance as at 01 of April	112,250,000	112,250,000	-	-
Change in fair value of biological assets	750,000	-	-	-
During the year addition	200,000	-	-	-
Balance as at 31 March	113,200,000	112,250,000	-	-
Total biological assets	1,036,810,700	1,357,227,111	-	-

15.3 Consumable biological assets comprise the agarwood plantation of Suriyakanda Plantations (Pvt) Ltd. Agarwood is a highly valued timber species due to the formation of a dark, aromatic resin, which develops when the tree responds to infection by fungi or other pathogens. This resin acts as the tree's natural defence mechanism and is the primary factor contributing to the commercial value of agarwood.

Under commercial plantation practices, resin formation is induced through artificial inoculation, whereby specific biological or chemical agents are introduced into the tree to stimulate resin production. This process enhances both the quantity and quality of the resin compared with natural resin formation.

Following inoculation, agarwood trees generally require an additional two to three years before harvesting to allow sufficient resin development. The presence of dark patches on the bark is commonly used as an indicator of resin formation and harvest readiness. Trees that have not been inoculated typically produce insufficient resin for commercial purposes, resulting in lower yields and reduced market value.

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15 Biological assets Contd.

As at the reporting date, the inoculation process has not commenced and hence the agarwood trees are not in its harvesting / mature state. As a result the resin quality and yield remains uncertain.

The fair value of the agarwood trees was determined in accordance with LKAS 41, Agriculture, using the fair value less costs to sell approach.

The fair value of agarwood trees was determined in accordance with SLFRS 13. Valuations was conducted by Chartered Valuer Mr. W.M. Chandrasena.

15.4 The valuation of biological assets is classified as a Level 3 fair value measurement under the fair value hierarchy, as it involves significant unobservable inputs. Details of the valuation are presented below.

Variable	Comment
Growth Pattern	Corresponding tree heights are based on published international growth patterns and have been adjusted to suit local conditions.
Time period of Maturity	The maturity period for each girth category is estimated based on the current age of the trees, existing tree diameters (girth), soil conditions, plantation characteristics, and the marginal growth rate of the respective species. Estimated inoculation and harvest years are determined for each girth class.
Selling Price	The valuation assumes that the plantation will be harvested and sold as agarwood chips upon maturity. The adopted selling prices are based on expected market rates for plantation-grown agarwood, with commercial plantation-grade agarwood ranging from approximately Rs. 15,000 to Rs. 25,000 per kg, while higher-quality resin-rich material may achieve Rs. 100,000 to Rs. 400,000 per kg in export markets, depending on quality, resin content and buyer specifications.
Discount Rate	Future net cash flows from the plantation are discounted to their present value using a discount rate of 17.5% under the Discounted Cash Flow (DCF) method.

The fair value of the agarwood plantation has been determined by an independent external valuer using the Discounted Cash Flow (DCF) method, which reflects the estimated net present value of future cash flows expected to be generated from the long-term commercial harvesting of the plantation. The valuation incorporates assumptions relating to future production, harvest timing, selling prices, operating costs and an appropriate discount rate.

The fair value measurement of the biological assets is subject to significant estimation uncertainty due to the inherent volatility of key valuation assumptions, including future market prices, resin yield, harvest timing and discount rates. Consequently, the carrying amount of the biological assets may differ from the amount ultimately realised.

The Board of Directors acknowledges that the market for agarwood and related products is inherently volatile and that long-term projections of prices and cash flows involve a high degree of uncertainty. Accordingly, the sensitivity analysis presented in this note in respect of changes in the selling price and discount rate enables users of the financial statements to assess the potential financial impact of changes in these key assumptions on the fair value of the biological assets in accordance with LKAS 41.

15.5 Sensitivity Analysis

Sensitivity variation on sales price

The fair value of the biological assets is highly sensitive to changes in the estimated future selling prices of agarwood. Accordingly, a sensitivity analysis has been performed to illustrate the impact of changes in the estimated selling prices on the net present value of the biological assets.

The analysis indicates that a 10% increase or 10% decrease in the estimated future selling prices of agarwood would have the following effect on the fair value of the biological assets:

Sales price fluctuation	+10% Rs.	2026 Rs.	-10% Rs.
Balance as at 31st March 2026	102,049,524	113,200,000	124,727,196

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Sensitivity variation on discount rate

The fair value of the biological assets is highly sensitive to changes in the discount rate applied in the Discounted Cash Flow (DCF) valuation model. Accordingly, a sensitivity analysis has been performed to illustrate the impact of changes in the discount rate on the net present value of the biological assets.

The analysis indicates that a 1% increase or 1% decrease in the discount rate applied to the estimated future cash flows would have the following effect on the fair value of the biological assets:

Discount Rate fluctuation	+1% Rs.	2026 Rs.	-1% Rs.
Balance as at 31st March 2026	108,358,660	113,200,000	118,797,853

15.6 Risk Management Strategy – Biological Assets

The Group is exposed to various risks arising from its ownership and management of agarwood trees, including regulatory and environmental risks, supply and demand risks, and climate and other natural risks. The Group has established appropriate risk management strategies and controls to identify, monitor and mitigate these risks.

Regulatory and Environmental Risk

The Group's agarwood plantation activities are subject to applicable laws, regulations and environmental requirements relating to cultivation, harvesting, transportation and sale of agarwood. Changes in regulatory requirements, environmental regulations or restrictions on the use of land and natural resources may affect the Group's operations and the value of its biological assets. The Group manages these risks through compliance with applicable laws and regulations, obtaining and maintaining the required approvals and permits, and monitoring changes in regulatory and environmental requirements.

Supply and Demand Risk

The Group is exposed to fluctuations in the supply and demand for agarwood and its related products, which may affect selling prices and consequently the fair value of the biological assets. Demand may be influenced by market conditions, consumer preferences and the availability of agarwood from competing sources. The Group mitigates these risks by monitoring market trends and demand conditions and by regularly reviewing the expected harvesting and marketing strategies for its agarwood plantation.

Climate and Other Natural Risks

The Group's biological assets are exposed to risks arising from adverse weather conditions, drought, excessive rainfall, storms, pests, diseases, fire and other natural events, which may adversely affect the growth, survival and quality of the agarwood trees and their estimated fair values. The Group manages these risks through regular monitoring of plantation conditions, implementation of appropriate plantation management practices, pest and disease control measures, fire prevention and other protective measures. The Group also periodically assesses the impact of significant climatic and other natural events on the condition and valuation of its biological assets.

15.7 There were no biological assets pledged as security as at 31 March 2026 other than disclosed in Note 31

15.8 There were no restrictions on the title of the Biological assets as at 31 March 2026 other than disclosed in Note 31.

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16. Investment Properties

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 01 of April	1,705,192	1,927,097	999,000,000	955,207,020
Transfer during the period	(1,705,192)	-	(999,000,000)	-
Charge for the year	-	(221,905)	-	43,792,980
Balance as at 31 March	-	1,705,192	-	999,000,000
Rental income	-	3,305,772	-	-
	-	3,305,772	-	-

- 16.1. During the financial year 2025/2026, the Company transferred the land and buildings previously classified as investment property back to property, plant and equipment, as the assets no longer met the recognition criteria for classification as investment property. Accordingly, as at the reporting date, the Company and Group does not hold any investment property.

17 Investments

17.1 Investment in subsidiaries

Unquoted	Holding %	Company	
		Amount Rs.	Amount Rs.
		2026	2025
Amunumulla Suhada Electricity Generation Company (private) Limited	100%	-	35,000,000
Boulder Gardens (Private) Limited	90%	766,244,000	766,244,000
Hunas Properties (Private) Limited	100%	162,500,000	162,500,000
Rainforest Hotels (Private) Limited	90%	135,000,000	135,000,000
Sustainable Energy Holdings (Private) limited	100%	322,108,000	322,108,000
Suriyakanda Plantations (Private) Limited	100%	1,678,201,000	1,678,201,000
Hunas Falls Hotels (Private) Limited	100%	1,000	1,000
Kuruganga Hydro (Private) Limited	44%	237,759,000	237,759,000
Ecoray Renewables (Private) Limited	90%	-	270,000,000
As at 31 March		3,301,813,000	3,606,813,000
(-) Provision for impairment		(1,723,008,678)	(1,504,660,839)
		1,578,804,322	2,102,152,161

Investments in subsidiaries are initially recognized at cost in the separate financial statements of the Company. Transaction costs directly attributable to the acquisition of investments in subsidiaries are recognized as an expense in profit or loss as incurred. Subsequent to initial recognition, investments in subsidiaries are carried at cost less accumulated impairment losses.

During the year, an additional impairment loss was recognized in respect of the investment in Suriyakanda Plantations (Private) Limited. Impairment losses previously recognized in respect of investments in Hunas Properties (Private) Limited and Boulder Gardens (Private) Limited are included in the opening balance of accumulated impairment losses. Further, the impairment provision previously recognized in respect of Amunumulla Suhada Electricity Generation Company (Private) Limited, which was disposed of during the year, was reversed upon disposal. The impairment loss recognized during the year has been charged to administrative expenses in the statement of profit or loss.

The cash flow forecasts used in determining the recoverable amount reflect the effects of changes in economic conditions and relevant macro-economic factors. The preparation of cash flow forecasts and the determination of the assumptions used, including the discount rate, involve a significant degree of judgement.

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17.1 Investment in subsidiaries (Cont.)

The key assumptions used in the impairment assessment were as follows:

- Discount factor - The discount rate was determined based on the risk-free rate adjusted for an appropriate risk premium and was 14% (2025: 12.5%) for plantations sector, 12% for leisure sector.
- Inflation - Based on current inflation rate
- Terminal growth rate - 3%
- Margin - Based on historical performance and budgeted expectations.
- Business growth - Based on the long-term average growth rates applicable to each business unit. Cash flow forecasts were prepared for a period of six years, with volume growth assumptions based on reasonable and supportable expectations.

17.1.1 Investments/Acquisitions & Disposals in 2025/2026

On 1 January 2026, Hunas Holdings PLC disposed of its entire equity interests in the following subsidiaries to TAD Holdings (Pvt) Ltd:

100% equity interest in Amunumulla Suhada Electricity Generation Company (Private) Limited for a consideration of Rs. 35,000,000; and 90% equity interest in Ecoray Renewables (Pvt) Ltd for a consideration of Rs. 270,000,000.

Accordingly, both companies ceased to be subsidiaries of the Group with effect from 1 January 2026. The resulting gain on disposal has been recognized in profit or loss and is included under Other Income in Note 6 to the financial statements.

17.1.2 Principal Subsidiaries

			31st March 2026			
Company and Country of Incorporation/ Operation Sri Lanka	Principal Activities	Class of Shares held	Proportion of class held	GroupInterest (%)	Noncon- trolling interest (%)	
Suriyakanda Plantations (Pvt) Ltd	Cultivation, Manufacturing and sale of Tea and other agricultural products	Ordinary	100%	100%	-	
Sustainable Energy Holdings (Pvt) ltd	Operate mini hydro power plant to generate and supply of electricity to the national grid.	Ordinary	100%	100%	-	
Boulder Gardens (pvt) Ltd	Hospitality & Tourism projects related activities	Ordinary	100%	90%	10%	
Rainforest Hotels (Pvt) ltd	Hospitality & Tourism projects related activities	Ordinary	100%	90%	10%	
Kuruganga Hydro (Pvt) Ltd	Operate mini hydro power plant to generate and supply of electricity to the national grid.	Ordinary	44%	44%	56%	

As at 31 March 2026, the Group holds a 44% equity interest in Kuruganga Hydro (Pvt) Ltd. Although the Group holds less than a majority of the voting rights, management has concluded that the Group has control over the entity in accordance with IFRS 10 – Consolidated Financial Statements.

The Group has determined that it controls Kuruganga Hydro (Pvt) Ltd. because:

The Group has the current ability to direct the relevant activities of the investee through contractual arrangements and representation on the Board of Directors;

The Group is exposed, or has rights, to variable returns from its involvement with the investee; and

The Group has the ability to use its power over the investee to affect the amount of those returns.

Accordingly, Kuruganga Hydro (Pvt) Ltd. is classified as a subsidiary and is fully consolidated in the Group's consolidated financial statements from the date on which control was obtained.

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17.1.3 The following table summarises information relating to the Group's subsidiaries that have material non-controlling interests (NCI).

	Kuruganga Hydro (Pvt) Ltd Rs.
NCI Percentage	56%
Non Current Assets	400,085,732
Current Assets	612,168,662
Non Current Liabilities	34,395,157
Current Liabilities	213,801,125
Net Assets	764,058,112
Net Assets attributable to NCI	427,872,543
Revenue	96,575,131
Profit for the year	12,355,412
Profit allocated to NCI	6,919,031
Cash flows from / (used in) operating activities	71,384
Cash flows from / (used in) investment activities	(242,650)
Cash flows from / (used in) finance activities	-

Non-controlling Interests and Consolidation

Non-controlling interests ("NCI") represent the portion of equity in subsidiaries that is not attributable, directly or indirectly, to the equity holders of the Company. NCI are presented separately within equity in the consolidated statement of financial position. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the NCI, even if this results in a deficit balance in NCI.

NCI arising from a business combination are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets, as determined for each business combination in accordance with SLFRS 3 – Business Combinations.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the consideration paid or received and the corresponding adjustment to the NCI is recognized directly in equity and attributed to the owners of the Company. No gain or loss is recognized in profit or loss in respect of such transactions.

Transaction costs relating to transactions with NCI are recognized directly in equity to the extent that they are incremental costs directly attributable to the equity transaction, in accordance with the applicable requirements of SLFRS 10.

All intra-group balances, transactions, income, expenses, and unrealized gains and losses arising from intra-group transactions are eliminated in full on consolidation. Unrealized losses are also eliminated unless they provide evidence of impairment of the asset transferred.

The financial statements of the Company and its subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period using consistent accounting policies for similar transactions and events in similar circumstances. Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the Group. The financial statements of the Group are prepared using uniform accounting policies and, where practicable, with the same reporting date. Where the reporting date of a subsidiary differs from that of the Group, adjustments are made for significant transactions and events occurring between the respective reporting dates in accordance with the requirements of SLFRS 10 – Consolidated Financial Statements.

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17.2. Investment in equity account investees

	Holding % 2026	Amount (Rs.) 2026	Holding % 2025	Amount (Rs.) 2025
Weswin Power Galaha (Private) Limited	-	-	20%	15,810,000
Eratne Power Company (Private) Limited	30%	37,006,000	30%	37,006,000
Mercantile logistics (Private) Limited	30%	15,000,000	30%	15,000,000
		52,006,000		67,816,000

17.2.1 Summarized financial information of equity accounted investees which has not been adjusted for the Group's share:

	Mercantile Logistics (Private) Limited		Weswin Power Galaha (Private) Limited		Mercantile Produce Brokers (Private) Limited		Eratne Power Company (Private) Limited	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Current Assets	44,143,262	51,913,375	69,550,618	58,410,815	-	5,285,547,751	32,538,193	33,600,390
Non-current Assets	296,352	10,063,885	24,373,112	30,085,403	-	916,048,120	156,993,704	169,081,625
Current Liabilities	(1,888,522)	(14,170,600)	(19,225,123)	(13,830,974)	-	(5,155,891,264)	(28,583,826)	(16,317,221)
Non-current Liabilities	-	-	(12,916,070)	(12,726,141)	-	(220,439,820)	(24,735,903)	(23,050,491)
Equity	42,551,092	47,806,660	61,782,537	61,939,103	-	825,264,787	136,212,168	163,314,303
Group's share in equity	(2,234,676)	(658,006)	(1,323,479)	(1,292,166)	-	5,971,271	(25,239,655)	(18,469,814)
Equity account holding %	30%	30%	20%	20%	-	20%	30%	30%
Revenue from contracts with customers	3,303,186	1,078,315	15,062,122	20,997,101	-	426,593,769	25,798,131	28,776,408
Profit after tax	(5,255,568)	(2,193,340)	(156,563)	8,117,326	-	40,071,404	3,137,865	36,556,929
Total comprehensive income	(5,255,568)	(2,193,340)	(156,563)	8,117,326	-	40,071,404	3,137,865	36,556,929
Group's share of profit for the year	(1,576,670)	(658,006)	(31,313)	1,623,465	-	8,014,281	941,360	10,967,079
Dividend Paid	-	-	-	-	-	-	(7,711,200)	(10,080,000)

The Company has neither contingent liabilities nor capital commitments in respect of its equity accounted investees

	Mercantile Logistics (Private) Limited		Weswin Power Galaha (Private) Limited		Mercantile Produce Brokers (Private) Limited		Eratne Power Company (Private) Limited		Total	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investment in equity account investees	15,000,000	15,000,000	-	15,810,000	-	-	37,006,000	37,006,000	52,006,000	67,816,000
Group's share in equity	(2,234,676)	(658,006)	-	(1,292,166)	-	-	(25,239,655)	(18,469,814)	(27,474,331)	(20,419,986)
	12,765,324	14,341,994	-	14,517,834	-	-	11,766,345	18,536,186	24,531,669	47,396,014
Group's share of profit for the year	(1,576,670)	(658,006)	(31,313)	1,623,465	-	8,014,281	941,360	10,967,079	(666,624)	19,946,819

During the year, the Company disposed of its entire equity investment in Weswin Galaha Power (Private) Limited on 1 January 2026. Accordingly, the investment ceased to be held by the Company with effect from that date.

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18. Inventories

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Food and beverages	2,222,406	2,139,102	1,915,173	1,750,679
Produced inventories	24,355,615	35,412,180	-	-
General inventories	7,782,484	4,663,441	2,046,373	1,440,380
Firwoods	-	551,700	-	-
Packing materials	-	888,547	-	-
	34,360,505	43,654,970	3,961,546	3,191,059

19. Trade and other receivables

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Trade Receivable	108,005,287	51,554,711	5,898,068	4,229,187
	108,005,287	51,554,711	5,898,068	4,229,187
Provision for Bad Debts	(3,969,990)	(2,627,490)	(3,969,990)	(2,627,490)
Net Trade Receivables	104,035,297	48,927,221	1,928,078	1,601,697
Deposits	-	410,858	-	369,778
Dividend Receivable	7,711,200	5,568,000	7,711,200	5,568,000
WHT Receivable	2,592,000	2,592,000	2,592,000	2,592,000
Other receivables	1,308,256	272,902	-	215,542
	115,646,753	57,770,981	12,231,278	10,347,017

	Total	Neither Past due nor impaired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
Group						
2026	108,005,287	8,775,639	19,516,223	38,292,274	37,022,979	4,398,172
2025	51,554,711	42,300,321	3,332,523	1,085,324	124,000	4,712,543

	Total	Neither Past due nor impaired	Past due but not impaired			
			31-60 days	61-90 days	91-120 days	120 < days
Company						
2026	5,898,068	776,578	694,651	-	28,666	4,398,172
2025	4,229,187	502,886	146,775	623,430	124,000	2,832,096

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20. Related party transactions

		Relationship	Group		Company	
			2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
20.1	Amounts due from related parties - Current					
	TAD Lanka Holdings (Pvt) Ltd	Ultimate parent	189,095,619	-	528,202,295	673,303,797
	Hunas Falls Hotels (Pvt) Ltd	Subsidiary	-	-	4,497,844	-
	Rainforest Hotels (Pvt) Ltd	Subsidiary	-	-	418,408	-
	Boulder Gardens (Pvt) Ltd	Subsidiary	-	-	617,200	-
	Hunas Properties (Pvt) Ltd	Subsidiary	-	-	47,500	-
	Suriyakanda Plantations (Pvt) Ltd	Subsidiary	-	-	89,628,274	-
	Kuruganga Hydro (Pvt) Ltd	Subsidiary	-	-	22,690,000	-
	Mercantile Leisure (Pvt) Ltd	Affiliate Company	30,532	57,625	-	-
	Mercantile Logistics (Pvt) Ltd	Associate	1,091,362	-	1,091,362	-
	TAD Wealth Lanka Fund (Pvt) Ltd	Affiliate Company	3,100,000	3,100,000	-	-
	Mr. P. M. De Alwis	Director	-	30,000,000	-	-
			193,317,513	33,157,625	647,192,881	673,303,797
Amounts due from related parties - Non Current						
		Relationship				
	Serenity Lake Leisure (Pvt) Ltd	Parent	-	40,000,000	-	40,000,000
			-	40,000,000	-	40,000,000

20.2 Amounts due to related parties

	Relationship	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
TAD Lanka Holdings (Pvt) Ltd	Ultimate parent	-	247,060,505	-	-
TAD Lanka Power (Pvt) Ltd	Affiliate Company	91,121,171	49,136,264	-	-
Mercantile Produce Brokers (Pvt) Ltd	Affiliate Company	48,881	-	-	-
TAD Lanka Plantations (Pvt) Ltd	Affiliate Company	298,000	43,595,494	298,000	298,000
TAD Lanka Investments (Pvt) Ltd	Affiliate Company	49,594,120	41,831,257	-	-
Suriyakanda Plantations (Pvt) Ltd	Subsidiary	-	-	-	97,500
Ms. Sujivie Irugalbandara	Director	-	1,609,000	-	-
Boulder Gardens (Pvt) Ltd	Subsidiary	-	-	-	72,000
Rainforest Hotels (Pvt) Ltd	Subsidiary	-	-	-	72,000
Sustainable Energy (Pvt) Ltd	Subsidiary	-	-	67,290,500	-
Ecoray Renewables (Pvt) Ltd	Subsidiary	-	-	-	269,885,000
Mercantile Logistics (Pvt) Ltd	Associate	-	8,678,105	-	8,678,105
Serenity Lake Leisure (Pvt) Ltd	Parent	95,357,980	95,357,980	-	-
Hunas Falls Hotels (Pvt) Ltd	Subsidiary	-	-	-	8,657
TAD Wealth Lanka (Pvt) Ltd	Affiliate Company	3,013,479	175,000	3,013,479	175,000
		239,433,631	487,443,605	70,601,979	279,286,262

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21. Advance, Deposits and Prepayments

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Pre payment	5,873,213	9,269,194	2,450,872	4,491,651
Project advance receivable	14,868,733	19,707,127	14,868,733	14,688,213
Supplier advance	1,883,224	2,869,876	-	-
Staff loan and advance	3,037,473	1,654,535	395,967	502,100
Refundable deposits	55,000	4,561,000	-	-
Other	-	4,698,253	-	-
	25,717,643	42,759,985	17,715,572	19,681,964

22. Short Term Investments

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investments in fixed deposits	21,683,497	50,725,196	-	-
	21,683,497	50,725,196	-	-

23. Cash and cash equivalents

23.1 Favourable cash and cash equivalents				
Cash at bank and in hand	67,198,049	86,374,604	8,603,245	12,887,903
	67,198,049	86,374,604	8,603,245	12,887,903
23.2 Unfavorable cash and cash equivalents				
Cash at bank	(134,208,885)	(23,880,978)	(14,795,566)	(2,664,058)
Total cash and cash equivalents for the purpose of statement of cash flows	(67,010,836)	62,493,626	(6,192,321)	10,223,845

24. Stated capital

	2026		2025	
	Number	Rs.	Number	Rs.
24.1 Fully paid ordinary shares	849,030,000	4,468,573,000	849,030,000	4,468,573,000
	849,030,000	4,468,573,000	849,030,000	4,468,573,000

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25. Reserves

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
25.1 As at 01 April	531,929,285	531,929,285	531,929,285	531,929,285
Revaluation gain on Land and Buildings	283,031,230	-	122,463,375	-
Deferred tax impact on revaluation gain	(84,909,369)	-	(36,739,013)	-
As at 31 March	730,051,146	531,929,285	617,653,647	531,929,285

26. Interest bearing loans and borrowings

	Note	2026 Rs.	2025 Rs.
26.1 Group			
Current interest bearing loans and borrowings			
Bank loans	(Note 26.1.1)	156,969,710	534,895,901
Lease liabilities	(Note 26.1.2)	9,525,092	10,869,721
Bank overdrafts		134,208,881	23,880,974
		300,703,683	569,646,596
Non current interest bearing loans and borrowings			
Bank loans	(Note 26.1.1)	972,703,608	787,854,217
Lease liabilities	(Note 26.1.2)	116,586,554	52,656,605
		1,089,290,162	840,510,822
		1,389,993,845	1,410,157,418

26.1.1 Bank Loans

	Note	2026 Rs.	2025 Rs.
Balance as at 01 April		1,322,750,118	1,269,613,945
Loan obtained/ interest capitalized		6,000,000	694,247,637
Repayments		(199,076,800)	(241,111,463)
Disposal of Subsidiary		-	(400,000,000)
Balance as at 31 March		1,129,673,318	1,322,750,118
Current		156,969,710	534,895,901
Non-current		972,703,608	787,854,217
		1,129,673,318	1,322,750,118

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26.1.2 Lease liabilities

	Motor vehicle Rs.	Land Rs.	2026 Rs.	2025 Rs.
Balance as at 01 April	1,776,860	61,749,466	63,526,326	69,632,603
Capital payments	(1,369,422)	(8,214,103)	(9,583,525)	(6,106,277)
Additions	-	72,168,845	72,168,845	-
Balance as at 31 March	407,438	125,704,208	126,111,646	63,526,326
Lease payments				
Gross payments	1,472,054	9,117,654	10,589,708	11,308,825
Interest expense recognized as finance expense	(102,632)	(903,551)	(1,006,183)	(5,202,548)
Capital payments	1,369,422	8,214,103	9,583,525	6,106,277
Current	407,438	9,117,654	9,525,092	10,869,721
Non-current	-	116,586,554	116,586,554	52,656,605
	407,438	125,704,208	126,111,646	63,526,326

26.1.3 Maturity analysis

	Current - within 1 year Rs.	Non-Current - between 1 and 5 years Rs.	Non-Current - more than 5 years Rs.	Total 2026 Rs.	Total 2025 Rs.
Gross lease liability	9,525,091	59,187,867	383,778,260	452,491,219	533,962,716
Interest in suspense	(1,717,561)	(24,394,808)	(300,267,204)	(326,379,573)	(470,436,390)
Net lease liability	7,807,530	34,793,059	83,511,056	126,111,646	63,526,326
Bank financing	156,969,710	972,703,608	-	1,129,673,318	1,322,750,119
Bank overdrafts	134,208,881	-	-	134,208,881	23,880,974
	298,986,121	1,007,496,667	83,511,056	1,389,993,845	1,410,157,418

	Note	2026 Rs.	2025 Rs.
26.2 Company			
Current interest bearing loans and borrowings			
Bank overdrafts		14,795,566	2,664,058
Bank loans	26.2.1	31,330,578	406,000,000
		46,126,144	408,664,058
Non current interest bearing loans and borrowings			
Bank loans		308,468,314	-
		308,468,314	-
		354,594,458	408,664,058

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	Note	2026 Rs.	2025 Rs.
26.2.1 Bank Loans			
Balance as at 01 April		406,000,000	400,000,000
New loan obtained/interest capitalized		6,000,000	6,000,000
Repayments		(72,201,108)	-
Balance as at 31 March		339,798,892	406,000,000
Current		31,330,578	406,000,000
Non-current		308,468,314	-
		339,798,892	406,000,000

26.3 Terms and conditions of the loans

	Lending Institution	2025 Rs.	Interest rate	Repayment terms	Security
Hunas Holdings PLC	Merchant Bank of Sri Lanka & Finance PLC	145,500,000	14% per annum	Repayment within 84 months effective from 24.11.2025	Tertiary mortgage bond over the property Hunas Falls Hotels & Premises
	Merchant Bank of Sri Lanka & Finance PLC	94,600,000	14% per annum	Repayment within 84 months effective from 05.07.2025	Three mortgage bonds against Hunnasgiriya Group & Vehigala Estate.
	Merchant Bank of Sri Lanka & Finance PLC	94,600,000	14% per annum		
Suriyakanda Plantations (Pvt) Ltd	LB Finance	5,098,874	13.5% per annum	Repayment in 60 Equal monthly installment	Vehicle Mortgage
	DFCC Bank PLC	9,675,258	AWPLR +4.75% Per annum	Repayment in 48 Equal monthly installment	Corporate Guarantee from TAD Lanka Holdings (Pvt) Ltd
Sustainable Energy Holdings (Pvt) Ltd	Bank of Ceylon	356,125,000	AWPLR+1.90% per annum repriced monthly	Maximum of 101 months effective from 01.04.2024, with a grace period up to 31.08.2024	Land and Buildings of Sustainable Energy Holdings (Private) Limited including plant, machinery and other equipment
	Bank of Ceylon	157,208,327	4.00% per annum review annually		Mortgagee over Ordinary Shares of Sustainable Energy Holdings (Private) Limited , Corporate Guarantee Of Hunas Holdings PLC, Corporate
	Bank of Ceylon	226,240,853			Guarantee of TAD Lanka Holdings (Pvt) Ltd, Letter of Setoff
	Bank of Ceylon	40,624,988	AWPLR+1.90% per annum repriced monthly		

27. Employee benefit liability

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
27.1 Defined benefit obligation				
Changes in the present value of the defined benefit obligation are as follows:				
Balance as at 1 April	30,288,848	36,997,322	3,890,784	4,098,472
Current service cost	7,249,656	18,945,695	963,061	638,336
Interest cost	3,319,786	525,023	427,986	491,817
Actuarial (gain)/ loss	3,164,078	(495,502)	1,249,058	(632,151)
Benefit paid	(3,276,467)	(5,203,790)	(1,609,383)	(705,690)
Transfers during the period	-	(19,811,400)	-	-
Disposal of Subsidiaries	-	(668,500)	-	-
Balance as at 31 March	40,745,901	30,288,848	4,921,506	3,890,784
The expenses are recognized in the following line items in the statement of profit and loss and other comprehensive income				
Administrative expenses	10,569,443	19,373,686	1,391,047	1,130,152
Other comprehensive income	3,164,078	(495,502)	1,249,058	(632,151)
	13,733,521	18,878,184	2,640,105	498,001

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27.2 Messrs.. Actuarial & Management Consultants (Pvt) Ltd, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2026. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

27.3 Principal actuarial assumptions

The principal financial assumptions underlying the above valuation are as follows;

	Group		Company	
	2026	2025	2026	2025
Discount rate	10% p.a	11% p.a	11% p.a	11% p.a
Salary increment rate	8% p.a	10% p.a	8% p.a	10% p.a
Average remaining working life (Years)	4.1	5.5 - 3.2	2.7	3
Retirement age	60 Years	60 Years	60 Years	60 Years

A long term treasury bond rate 10 % p.a. (2024/25 – 11% p.a.) has been applied to discount the future obligations, considering the remaining service periods of eligible employees. In determining the actuarial valuation.

The Group has considered historical salary increment trends and the anticipated economic conditions of the country, resulting in an upward adjustment to the long-term salary growth rate applied for the current year

The valuation has been prepared on the assumption that the Company will continue to operate as a going concern.

27.4 Sensitivity of the principal assumptions used

In order to illustrate the significance of the Salary Escalation rate and Discount Rate assumed in this valuation as at 31st March 2026, we have conducted a sensitivity analysis for all employees assuming the following salary escalation rate and discount rate.

	Expected Future Salaries		Discount Rate	
	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease Rs.
Group				
Change in Present Value of Defined Benefit Obligation	1,512,337	(1,427,089)	(1,397,260)	1,507,276
Company				
Change in Present Value of Defined Benefit Obligation	160,466	(153,561)	(147,785)	157,208

27.5 Maturity analysis of the payments

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Within the next 12 months	11,356,710	6,930,498	1,458,086	769,229
Between 1 to 5 years	20,329,917	15,106,451	2,327,376	2,233,979
Between 5 to 10 years	9,059,274	8,251,898	1,136,044	887,576
	40,745,901	30,288,848	4,921,506	3,890,784

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28. Trade and other payables

AS AT 31 MARCH	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Trade payables		89,808,188	196,650,764	14,485,808	26,677,544
Other payables		10,049,149	3,591,980	67,925	22,823
Unclaimed dividends		-	281,805	-	281,805
Income tax payable		49,342,972	39,438,985	-	-
Sundry creditors including accrued expenses		208,668,162	147,523,055	47,740,981	25,163,749
		357,868,471	387,486,589	62,294,714	52,145,921

29. Reservation advances

Reservation advances	29.1	5,043,967	4,973,352	5,043,968	4,973,352
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29.1 Reservation advances

	Note	2026 Rs.	2025 Rs.
Opening balance		4,973,352	3,137,975
Advance received during the year		70,855,135	71,405,507
Setoff against the receivables		(70,784,519)	(69,570,130)
Closing balance		5,043,968	4,973,352

30. Commitments and contingencies

30.1 Capital expenditure commitments

There were no material capital commitments as at the reporting date.

30.2 Contingent liabilities

There are no significant contingencies as at the reporting date.

31. Assets pledged

The following assets have been pledged as securities as at reporting date.

Company	Nature of assets pledged	Nature of liability	Carrying amount of pledged assets (Rs.)	Included under
Hunas Holdings PLC	Land and buildings	Refer Note 26.3	1,114,000,000	Property, plant & equipment
Sustainable Energy Holdings (Private) Limited	Land and buildings including plant, machinery and other equipment	Refer Note 26.3	1,388,922,781	Property, plant & equipment
Boulder Gardens (Private) Limited	Land and buildings	Related Party	350,000,000	Property, plant & equipment

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During the previous financial year, the group disposed of its investment in Mercantile Produce Brokers Limited, which was an associate of the Group, and Boulder Garden Hotels (Pvt) Ltd, a wholly owned subsidiary of Hunas Holdings PLC, remains pledged as security for a revolving overdraft facility obtained by Mercantile Produce Brokers Limited approximately for LKR 350 million and there is no outstanding in the related facility as of 31st March 2026.

32

Events occurring after the reporting date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

33

Related party disclosures

The Group and Company carries out transactions in the ordinary course of business with the parties who are defined as related parties in Sri Lanka Accounting Standard – LKAS 24 (Related Party Disclosures), the details of which are reported below.

33.1

Transactions with Key Management Personnel of the Company and Parent

According to Sri Lanka Accounting Standard – LKAS 24 Related Party Disclosures, Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director, whether executive or otherwise.

Accordingly, the Group has identified the members of the Board of Directors, including Executive and Non-Executive Directors, and other senior management personnel who meet the above criteria as Key Management Personnel.

The compensation paid or payable to Key Management Personnel during the year is disclosed below:

AS AT 31 MARCH	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Short term employee benefits		25,792,410	8,686,667	25,792,410	8,686,667

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33.2 Transactions with ultimate parent, parent and other related companies

Group	Ultimate parent company		Parent company		Affiliate companies		Total	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
As at 01 April	(247,060,505)	(1,067,107,173)	(55,357,980)	40,000,000	(111,867,495)	(492,912,731)	(414,285,980)	(1,520,019,904)
Loan capitalize and interest payable	-	-	-	-	-	-	-	-
Interest Charge	51,373,724	70,784,840	-	-	-	-	51,373,724	70,784,840
Management Fee	-	(7,200,000)	-	-	(69,600,000)	(105,850,000)	(69,600,000)	(113,050,000)
Net fund transfers	384,782,399	756,461,828	(40,000,000)	(95,357,980)	41,613,738	486,895,236	386,396,137	1,147,999,084
As at 31 March	189,095,618	(247,060,505)	(95,357,980)	(55,357,980)	(139,853,757)	(111,867,495)	(46,116,119)	(414,285,980)
Included in:								
Amounts due from related parties - non current	-	-	-	40,000,000	-	-	-	40,000,000
Amounts due from related parties - current	189,095,618	-	(95,357,980)	(95,357,980)	4,221,894	33,157,625	97,959,533	(62,200,355)
Amounts due to related parties	-	(247,060,505)	-	-	(144,075,651)	(145,025,120)	(144,075,651)	(392,085,625)
	189,095,618	(247,060,505)	(95,357,980)	(55,357,980)	(139,853,757)	(111,867,495)	(46,116,119)	(414,285,980)

33.3 Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business with the related entities. All related party transactions are conducted at commercial terms agreed by the management. All related party outstanding balances at year-end are unsecured and repayable on demand.

33.4 Related party transactions exceeding 10% of the equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower.

Company	Relationship	Value of the Related Party Transactions entered into during the financial year (Rs.)	Value of Related Party Transactions as a % of Equity
Name of the related party			
TAD Lanka Holdings (Pvt) Ltd	Ultimate parent company	350,000,000	13.7%

During the Financial year 2023/24 the company had obtained a loan from Merchant Bank of Sri Lanka and Finance PLC amounting to LKR 350,000,000/- As per the arrangement with TAD Lanka Holdings (Pvt) Ltd (Ultimate Parent entity of Hunas Holdings PLC) and the loan proceeds were utilised by TAD Lanka Holdings (Pvt) Ltd. All the loan servicing including capital and interest payments are borne by TAD Lanka Holdings (Pvt) Ltd.

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YEAR ENDED 31 MARCH 2026

33 Related party disclosures (Contd..)

33.5 Other related party disclosures

Transactions with ultimate parent, Parent and other related companies are as follows;

Company	Ultimate parent company		Parent company		Affiliate companies		Total	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
As at 01 April	673,303,797	239,207,118	40,000,000	40,000,000	(279,286,262)	24,000	434,017,535	279,231,118
Loan capitalize & Interest Payable	-	-	-	-	-	-	-	-
Disposal/(Investment) in subsidiaries	320,810,000	-	-	-	-	(270,000,000)	320,810,000	(270,000,000)
Write Back of Payable Balances	-	(74,590,711)	-	-	-	-	-	(74,590,711)
Interest Charge	51,373,724	57,599,642	-	-	-	-	51,373,724	57,599,642
Management Fee	-	(4,800,000)	-	-	-	-	-	(4,800,000)
Net fund transfers	(517,285,226)	455,887,748	(40,000,000)	-	327,674,869	(9,310,262)	(229,610,357)	446,577,486
As at 31 March	528,202,295	673,303,797	-	40,000,000	48,388,607	(279,286,262)	576,590,902	434,017,535
Included in:								
Amounts due from related parties - non current	-	-	-	40,000,000	-	-	-	40,000,000
Amounts due from related parties - current	528,202,295	673,303,797	-	-	118,990,586	24,000	647,192,881	673,327,797
Amounts due to related parties	-	-	-	-	(70,601,979)	(279,310,262)	(70,601,979)	(279,310,262)
	528,202,295	673,303,797	-	40,000,000	48,388,607	(279,286,262)	576,590,902	434,017,535

No other material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence, which require to disclosure in these Financial Statements other than those disclosed above.

Ultimate parent company: TAD Lanka Holdings (Pvt) Ltd

Parent company: Serenity Lake Leisure (Pvt) Ltd

Affiliate companies: Mercantile Leisure (Private) Limited, TAD Lanka Power (Private) Limited, Mercantile Produce Brokers (Private) Limited, TAD Lanka Plantations (Private) Limited, TAD Lanka Investments (Private) Limited, Hunas Falls Hotels (Private) Limited, Ecoray Renewables (Private) Limited, Suriyakanda Plantations (Private) Limited, TAD Wealth Lanka Fund (Private) Limited, Boulder Gardens (Private) Limited, Rainforest Hotels (Private) Limited and Mercantile Logistics (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

34. Financial Instruments - Fair Value and Risk Management

Accounting classifications and fair values

The Group/Company measures and discloses the fair value of financial instruments using the following fair value hierarchy based on the inputs used in the valuation techniques:

Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing financial instruments by valuation techniques.

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

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

Group

31st March 2026	Carrying Amount			Fair Value		
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Level 1	Level 2	Level 3
						Total
Financial assets not measured at fair value						
Trade and other receivables	115,646,753	-	-	-	115,646,753	115,646,753
Amounts due from related companies	193,317,513	-	-	-	193,317,513	193,317,513
Cash and cash equivalents	67,198,049	-	-	-	-	67,198,049
	376,162,315	-	-	-	308,964,266	376,162,315
Financial liabilities not measured at fair value						
Bank overdrafts	-	-	134,208,881	-	-	134,208,881
Secured bank loans	-	-	1,129,673,318	-	1,129,673,318	1,129,673,318
Amounts due to related companies	-	-	239,433,631	-	-	239,433,631
Lease liabilities	-	-	126,111,645	-	-	126,111,645
Trade payables	-	-	357,868,471	-	357,868,471	357,868,471
	-	-	1,987,295,946	-	1,487,541,789	1,987,295,946

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YEAR ENDED 31 MARCH 2026

Group	Financial Assets at Amortised cost	FVTOCI	Carrying Amount Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31st March 2025								
Financial assets not measured at fair value								
Trade and other receivables	57,770,981	-	-	57,770,981	-	-	57,770,981	57,770,981
Amounts due from related companies	33,157,625	-	-	33,157,625	-	-	33,157,625	33,157,625
Cash and cash equivalents	86,374,604	-	-	86,374,604	-	-	-	86,374,604
	177,303,210	-	-	177,303,210	-	-	90,928,606	177,303,210
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	2,664,058	2,664,058	-	2,664,058	-	2,664,058
Secured bank loans	-	-	1,407,493,360	1,407,493,360	-	1,407,493,360	-	1,407,493,360
Amounts due to related companies	-	-	487,443,605	487,443,605	-	-	487,443,605	487,443,605
Trade and Other payables	-	-	387,486,589	387,486,589	-	-	387,486,589	387,486,589
	-	-	2,285,087,611	2,285,087,612	-	1,410,157,418	874,930,194	2,285,087,612

34.1 Financial Instruments - Fair Value And Risk Management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Company	Financial Assets at Amortised cost	FVTOCI	Carrying Amount Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31st March 2026								
Financial assets not measured at fair value								
Trade and other receivables	12,231,278	-	-	12,231,278	-	-	12,231,278	12,231,278
Amounts due from related companies	647,192,881	-	-	647,192,881	-	-	647,192,881	647,192,881
Cash and cash equivalents	8,603,245	-	-	8,603,245	-	-	-	8,603,245
	668,027,404	-	-	668,027,404	-	-	659,424,159	668,027,404
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	14,795,566	14,795,566	-	-	-	14,795,566
Secured bank loans	-	-	339,798,892	339,798,892	-	339,798,892	-	339,798,892
Amounts due to related companies	-	-	70,601,979	70,601,979	-	-	70,601,979	70,601,979
Trade and Other payables	-	-	62,294,713	62,294,713	-	-	62,294,713	62,294,713
	-	-	487,491,150	487,491,150	-	339,798,892	132,896,692	487,491,150

NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

34.1 Financial Instruments - Fair Value And Risk Management (Contd)
Company

31st March 2025	Carrying Amount		Total	Fair Value			
	Financial Assets at Amortised cost	FVTOCI		Other financial liabilities	Level 1	Level 2	Level 3
Financial assets not measured at fair value							
Trade and other receivables	10,347,017	-	-	10,347,017	-	-	10,347,017
Amounts due from related companies	673,303,797	-	-	673,303,797	-	-	673,303,797
Cash and cash equivalents	12,887,903	-	-	12,887,903	-	-	12,887,903
	696,538,717	-	-	696,538,716	-	-	696,538,716
Financial liabilities not measured at fair value							
Bank overdrafts	-	-	2,664,058	2,664,058	-	-	2,664,058
Secured bank loans	-	-	406,000,000	406,000,000	-	406,000,000	406,000,000
Amounts due to related companies	-	-	279,286,262	279,286,262	-	-	279,286,262
Trade and Other payables	-	-	52,145,921	52,145,921	-	-	52,145,921
	-	-	740,096,241	740,096,241	-	406,000,000	331,432,183
							740,096,241

35. Financial risk management objectives and policies

The Group has exposed to the following risks from its use of financial instruments,

- Market risk
- Credit risk
- Liquidity risk

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the senior management of the parent entity that advises on financial risks and the appropriate financial risk governance framework for the Group who provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

35.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group's exposure to market risk primarily arises from changes in interest rates, foreign exchange rates and other relevant market prices.

The Group's financial instruments that are exposed to market risk mainly include bank overdrafts, borrowings and other interest-bearing financial instruments. The Group monitors its exposure to market risk and, where appropriate, takes measures to manage such exposure within the limits approved by management.

The sensitivity analyses in the following sections relate to the position as at 31 March 2026 and 2025.

35.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group's exposure principally arises from variable-rate borrowings and bank overdrafts. The Group monitors movements in market interest rates and manages its exposure through appropriate financing arrangements and, where considered necessary, refinancing or restructuring of borrowings.

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YEAR ENDED 31 MARCH 2026

35. Financial risk management objectives and policies (Contd)

	Carrying Amount			
	Group		Company	
	2026	2025	2026	2025
Fixed rate instruments				
Financial assets	21,683,497	50,725,196	-	-
Financial liabilities	-	-	-	-
	21,683,497	50,725,196	-	-
Variable rate instruments				
Financial assets	-	-	-	-
Financial liabilities	1,389,993,845	1,410,157,418	354,594,458	408,664,058
	1,389,993,845	1,410,157,418	354,594,458	408,664,058

35.1.1 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings, With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Change basis points	Effect on Profit before tax	
		Group	Company
2026	+/- 200	25,277,644	7,091,889
2025	+/- 200	33,459,870	9,492,032

35.1.2 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Foreign currency sensitivity:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on Profit before tax	
		Group	Company
2026	+/- 5%	255,548	17,849,555
2025	+/- 5%	(17,431,512)	9,848,193

35.2 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 mainly from its operating activities (primarily for trade receivables).

Credit risk exposure:

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions of the Group.

	Group		Company	
	2026	2025	2026	2025
Trade and other receivables	115,646,753	57,770,981	12,231,278	10,347,017
Amounts due from related parties	193,317,513	33,157,625	647,192,881	673,303,797
Cash and bank balances	67,198,049	86,374,604	8,603,245	12,887,903
	376,162,315	177,303,210	668,027,404	696,538,716

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YEAR ENDED 31 MARCH 2026

35. Financial risk management objectives and policies (Contd)

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses. The Group has received all the dues within agreed credit period in the past without any delays. The management also considered the local and global economic indicators and the results of negotiations and subsequent cash receipts in determining the provision for impairment.

Amounts due from/to related parties

The Group's amounts due from/to related parties mainly consist of the balances from affiliate companies and parent.

Cash and cash equivalents

In order to mitigate settlement and operational risks related to cash and cash equivalents, the Group uses several banks with acceptable ratings.

Respective credit ratings of banks which company cash balances held are as follows:

Hatton National Bank PLC - AA-(lka)
Commercial Bank of Ceylon PLC-AA-(lka)
National Development Bank PLC - A-(lka)
Nations Trust Bank PLC - A(lka)
Sampath Bank PLC -AA-(lka)
DFCC Bank PLC - A(lka)
HSBC - +A(lka)
Bank of Ceylon -AA-(lka)
Cargills Bank - A(lka)

35.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Group's objective is to maintain an appropriate balance between the continuity of funding and profitability by managing a combination of equity financing, operating cash flows and borrowings.

The Group manages its liquidity risk by monitoring its cash flow requirements, maintaining adequate cash and cash equivalents, and ensuring the availability of committed and other sources of financing. Management regularly reviews the Group's liquidity position and forecasts future cash flows to ensure that sufficient funds are available to meet its financial obligations as they fall due.

The Group assesses the concentration of liquidity risk in relation to the refinancing of its debt and considers the risk to be low, based on the availability of funding sources and its established relationships with existing lenders. Management believes that sufficient access to funding is available and that borrowings maturing within twelve months can, where necessary, be renewed or refinanced with existing lenders.

YEAR ENDED 31 MARCH 2026	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Contractual Cashflow Rs.	Carrying Amount Rs.
Group						
Long term loans	-	68,482,948	204,440,442	1,265,070,829	1,537,994,220	1,129,673,318
Lease liabilities	-	-	11,233,799	121,556,714	132,790,513	126,111,645
Trade and other payables	-	89,808,188	268,060,283	-	357,868,471	357,868,471
Bank overdraft	134,208,881	-	-	-	134,208,881	134,208,881
	134,208,881	158,291,136	483,734,524	1,386,627,543	2,162,862,085	1,747,862,315
YEAR ENDED 31 MARCH 2025	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Contractual Cashflow Rs.	Carrying Amount Rs.
Group						
Long term loans	-	55,549,242	552,452,346	1,033,189,872	1,641,191,460	1,322,750,119
Lease liabilities	-	459,425	10,687,764	52,708,201	63,855,391	63,526,326
Trade and other payables	-	196,650,764	190,835,826	-	387,486,589	387,486,589
Bank overdraft	23,880,978	-	-	-	23,880,978	23,880,978
	23,880,978	252,659,431	753,975,936	1,085,898,073	2,116,414,418	1,797,644,012

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NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

YEAR ENDED 31 MARCH 2026

35. Financial risk management objectives and policies (Contd...)

YEAR ENDED 31 MARCH 2026	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Contrac- tual Cashflow Rs.	Carrying Amount Rs.
Company						
Long term loans	-	20,641,125	64,965,398	445,969,198	531,575,721	339,798,892
Trade and other payables	-	14,485,808	47,808,906	-	62,294,713	62,294,713
Bank overdraft	14,795,566	-	-	-	14,795,566	14,795,566
	14,795,566	35,126,933	112,774,304	445,969,198	608,666,000	416,889,171

YEAR ENDED 31 MARCH 2025	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	After one year Rs.	Total Contrac- tual Cashflow Rs.	Carrying Amount Rs.
Company						
Long term loans	-	414,180	401,242,540	6,626,880	408,283,600	406,000,000
Trade and other payables	-	26,677,544	25,468,377	-	52,145,921	52,145,921
Bank overdraft	2,664,058	-	-	-	2,664,058	2,664,058
	2,664,058	27,091,724	426,710,917	6,626,880	463,093,579	460,809,979

Capital management

Capital includes equity attributable to the equity holders.

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio at a minimum level. Net debt comprised of interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

AS AT 31 MARCH	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest bearing loans and borrowings	(Note 26)	1,389,993,844	1,432,639,461	354,594,458	408,664,058
Trade and other payables	(Note 28)	357,868,471	387,486,589	62,294,713	52,145,921
Reservation Advance	(Note 29)	5,043,967	4,973,352	5,043,967	4,973,352
Less: Cash and cash equivalents	(Note 23)	(67,198,049)	(86,374,604)	(8,603,245)	(12,887,903)
Net debt		1,685,708,233	1,738,724,798	413,329,893	452,895,429
Equity		2,934,054,880	2,795,786,612	2,725,732,896	2,986,557,386
Total capital		2,934,054,880	2,795,786,612	2,725,732,896	2,986,557,386
Capital and net debt		4,619,763,112	4,534,511,410	3,139,062,789	3,439,452,815
Gearing ratio		36%	38%	13%	13%

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YEAR ENDED 31 MARCH 2026

36 Segment Information

Transactions with ultimate parent, Parent and other related companies are as follows:

	2026					2025				
	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total	Mini hydro power Rs.	Plantation Rs.	Real estate Rs.	Leisure Rs.	Total
Property, plant and equipment	1,789,008,513	18,971,634	117,087,528	1,885,881,585	3,810,949,259	1,951,849,400	10,697,632	104,598,153	1,600,341,688	3,667,486,873
Intangible assets	-	-	-	-	-	25,000,000	226,865	-	-	25,226,865
Right of use assets	-	143,521,478	-	-	143,521,478	-	73,203,384	-	-	73,203,384
Biological assets	-	1,036,810,700	-	-	1,036,810,699	-	1,357,227,112	-	-	1,357,227,112
Investment property	-	-	-	-	-	-	1,705,192	-	-	1,705,192
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	24,531,669	-	-	-	-	47,396,014
Other non current assets	-	-	-	-	-	-	-	-	40,000,000	40,000,000
Total non-current assets					5,015,813,105					5,212,245,440
Inventories	764,149	29,327,577	-	4,268,779	34,360,505	812,910	39,262,580	-	3,579,480	43,654,970
Advances & Deposits	3,059,157	5,918,706	-	16,679,780	25,717,643	6,505,540	15,466,396	57,359	20,730,690	42,759,985
Trade and other receivables	85,935,272	15,621,618	31,201	14,118,662	115,646,753	33,825,667	11,459,540	-	12,485,774	57,770,982
Other current assets	-	22,131,203	-	193,629,213	215,760,417	60,702,044	20,599,859	-	3,195,427	84,497,330
Cash and cash equivalents	45,660,870	9,746,543	66,782	11,723,854	67,198,049	68,300,453	4,347,818	68,588	13,657,745	86,374,604
Total current assets					458,683,367					315,057,870
Deferred Tax	92,802,477	26,115,648	6,780,600	381,657,055	507,355,776	59,891,304	48,504,744	2,636,061	300,134,777	411,166,886
Interest bearing loans and borrowings	630,118,571	119,372,699	-	339,798,892	1,089,290,162	780,199,168	60,311,654	-	-	840,510,822
Retirement Benefit Obligations	224,067	34,912,889	-	5,608,946	40,745,902	-	25,797,639	-	4,491,209	30,288,848
Total non-current liabilities					1,637,391,842					1,281,966,556
Trade and other payables	133,603,140	91,890,035	213,555	132,161,742	357,868,472	117,892,788	57,347,033	197,615	212,049,152	387,486,589
Other current liabilities	268,789,668	(29,356,037)	-	5,043,967	244,477,598	-	110,474,946	95,833,616	286,108,394	492,416,956
Interest bearing Loans and Borrowings	14,795,566	35,730,734	-	250,177,383	300,703,683	408,885,055	38,285,649	-	122,475,893	569,646,596
Total current liabilities					903,049,752					1,449,550,142
Total segment assets	1,924,427,961	1,282,049,459	117,185,511	2,126,301,873	5,474,496,473	2,146,996,014	1,534,196,378	104,724,100	1,693,990,804	5,527,303,310
Total segment liabilities	1,140,333,489	278,665,967	6,994,155	1,114,447,984	2,540,441,591	1,366,868,315	340,721,664	98,667,292	925,259,425	2,731,516,698

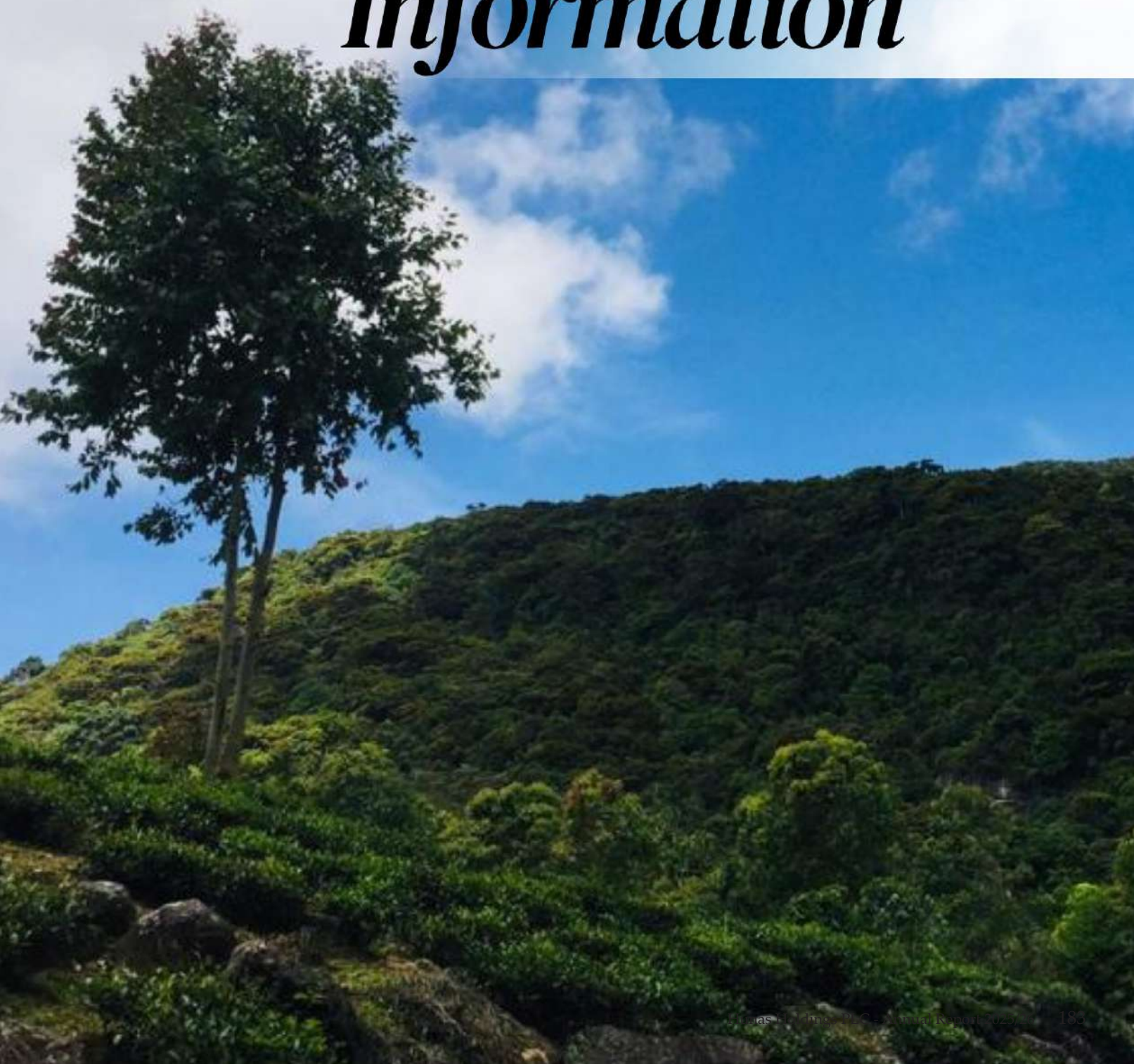
YEAR ENDED 31 MARCH 2026

36 Segment Information (Contd..)

inter company investments made by the Group of companies have not been considered for the calculation of segment assets. Inter segment receivable and payable balances are eliminated on consolidation.

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Supplementary Information



FINANCIAL STATEMENTS

INFORMATION OF SHAREHOLDERS AND INVESTORS

Ordinary Shareholders as at 31st March 2026									
No. of Shares held	Residents			Non Residents			Total		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1 - 1000	1,251	519,173	0.06	2	261	0	1,253	519,434	0.06
1001 - 10,000	637	2,711,005	0.32	0	0	0	637	2,711,005	0.32
10,001 - 100,000	914	29,851,322	3.51	6	237,000	0.03	920	30,088,322	3.54
100,001 - 1,000,000	78	23,060,708	2.72	0	0	0	78	23,060,708	2.72
Over 1,000,000	9	781,045,471	91.99	4	11,605,060	1.37	13	792,650,531	93.36
Total	2,889	837,187,679	98.6	12	11,842,321	1.4	2,901	849,030,000	100

Category	No. of Shareholders	No. of Shares
Individual	2,785	63,865,083
Institutional	116	785,164,917

Name of Shareholder	No. of Shares as at 31st March 2026	Percentage %
1. CARGILLS BANK LIMITED/SERENITY LAKE LEISURE (PVT) LTD	433,005,300	51.00
2. SERENITY LAKE LEISURE (PVT) LTD	171,323,190	20.18
3. NATIONAL DEVELOPMENT BANK PLC/SERENITY LAKE LEISURE (PVT) LTD	158,992,782	18.73
4. MY ROOM CO. LTD	5,280,000	0.62
5. MR. K.D.A. PERERA	5,176,650	0.61
6. RELIEF HOLDINGS (PVT) LTD	4,860,500	0.57
7. BCC CORPORATION	2,472,310	0.29
8. MR. R.K. MODDER	2,412,388	0.28
9. DFCC BANK PLC/S.S.ABEYSINGHE	2,039,661	0.24
10. MR. Y. WATANABE	1,993,750	0.23
11. MR. K. FURUSATO	1,859,000	0.22
12. FRONTIER WEALTH (PVT) LTD	1,800,000	0.21
13. MR. M.I.M. RIZLY/ MRS.F. R.HASSAN	1,435,000	0.17
14. MR. A.L.F. DE MEL	1,000,000	0.12
15. MR. N.G.R. DHARMASIRI	992,800	0.12
16. MR. S.A. OBEYESEKERE	946,320	0.11
17. MRS. C.P. GUNAWARDENA	901,680	0.11
18. MRS. D.P.K. PANAMALDENIYA	750,001	0.09
19. RANAVAV HOLDINGS (PVT) LTD	750,000	0.09
20. TANGERINE TOURS (PVT) LTD	660,000	0.08
	798,651,332	94.07

The closing market price per share for the period ended 31st March 2026, as quoted by the Colombo Stock Exchange, was Rs. 18.00

The highest and lowest values recorded during the year were Rs. 27.70 and Rs. 16.00 respectively.

The accounting policies and notes on pages 125 through 182 form an integral part of the financial statements.

FINANCIAL STATEMENTS - FIVE YEAR SUMMARY

Year ended 31 March 2026		Group				Company				
		2026	2025	2024	2023	2026	2025	2024	2023	2022
Operating Results										
Turnover	Rs. 000s	873,598	1,334,738	799,407	906,184	85,529	98,487	99,241	86,195	59,525
Profit / (Loss) before Taxation	Rs. 000s	(5,111)	348,630	(436,215)	(398,331)	(356,991)	(196,964)	(58,658)	(61,022)	(1,870,175)
Taxation expense / (Reversal)	Rs. 000s	(22,548)	(125,441)	(37,850)	(13,522)	11,317	19,616	18,903	(3,468)	6,302
Profit / (Loss) after Taxation	Rs. 000s	(27,659)	223,189	(474,064)	(411,853)	(345,675)	(177,347)	(39,755)	(64,490)	(1,863,873)
Balance Sheet										
Share Capital	Rs. 000s	4,468,573	4,468,573	4,468,573	4,336,573	4,468,573	4,468,573	4,468,573	4,336,573	4,336,573
Capital Reserve	Rs. 000s	730,051	531,929	531,929	531,929	617,654	531,929	531,929	531,929	95,874
Revenue Reserves	Rs. 000s	(2,646,942)	(2,610,994)	(2,838,320)	(2,401,378)	(2,360,494)	(2,013,945)	(1,837,040)	(1,797,017)	(1,732,794)
Non controlling interest	Rs. 000s	382,373	406,278	418,860	33,300			-	-	-
Share Holder's Fund	Rs. 000s	2,934,055	2,795,787	2,581,042	2,500,425	2,725,733	2,986,557	3,163,462	3,071,485	2,699,653
Non-Current Assets	Rs. 000s	5,015,813	5,212,245	6,250,820	5,307,518	2,765,948	3,223,795	3,571,217	3,440,503	2,891,576
Current Assets	Rs. 000s	458,683	315,058	312,169	242,516	690,016	719,450	272,725	132,203	70,949
Current Liabilities (Net of Borrowings)	Rs. 000s	(602,346)	(879,904)	(2,167,502)	(1,635,956)	(137,941)	(336,406)	(43,641)	(131,251)	(97,374)
Borrowings	Rs. 000s	(1,389,994)	(1,410,157)	(1,432,639)	(1,076,406)	(354,594)	(408,664)	(405,314)	(119,958)	(130,101)
Provisions / Subsidies	Rs. 000s	(548,102)	(441,456)	(381,805)	(337,248)	(237,696)	(211,618)	(231,526)	(250,012)	(35,397)
Net Assets	Rs. 000s	2,934,055	2,795,787	2,581,042	2,500,425	2,725,733	2,986,557	3,163,462	3,071,485	2,699,653
Key Indicators										
Earning / (Loss) per Share	Rs.	(0.04)	0.25	(0.53)	(0.47)	(0.41)	(0.21)	(0.05)	(0.08)	(2.21)
Market price per 31st March	Rs.	18.0	23.9	26.9	30	18.0	23.9	26.9	30	1,950
Highest Market Price	Rs.	21.3	30.9	32.0	1,900	21.3	30.9	32.0	1,900	3,050
Lowest Market Price	Rs.	16.0	23.1	21.2	21	16.0	23.1	21.2	21	150.00
Return / (Loss) on Equity	%	(0.94)	7.98	(18.37)	(16.47)	(12.68)	(5.94)	(1.26)	(2.10)	(69)
Price Earning Ratio	No. of Times	-	-	-	-	-	-	-	-	-
Interest Cover	No. of Times	0.96	2.39	(1.35)	(1.91)	(5.75)	(1.77)	(0.20)	(146.24)	(5,447.59)
Gearing Ratio (Excluding related party payable)	%	36%	38%	44%	33%	15%	13%	12%	5%	0
Current Ratio	No. of Times	0.51	0.22	0.11	0.13	3.75	0.97	0.61	0.53	0.57
Net Assets Per share	Rs.	3.46	3.29	3.04	2.96	3.21	3.52	3.73	3.64	3.20

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

ACCRUAL BASIS

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED

Total assets less current liabilities.

CONTINGENT LIABILITIES

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

CURRENT RATIO

Current assets divided by current liabilities.

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CAPITAL EXPENDITURE

The total additions to Property, Plant and Equipment.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and minority interest.

DEFERRED TAX

Sum set aside in the financial statements for taxation that may become payable in a financial year other than the current financial year.

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.

FAIR VALUE

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.

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET VALUE PER SHARE

The price at which an ordinary share can be purchased in the stock market.

MARKET CAPITALIZATION

Number of shares in issue at the end of period multiplied by the market price at end of period.

NET ASSETS

Total assets minus current liabilities minus long term liabilities minus minority interest. Net assets per share Shareholders' funds divided by the weighted average number of ordinary shares in shares. Pre-Tax Return on capital employed consolidated profit before interest and tax as a percentage of average capital employed at year end.

PRICE EARNINGS RATIO

Market price per share over Earnings Per Share.

RETURN ON EQUITY

Profit attributable to shareholders as a percentage of average shareholders' funds.

SHAREHOLDERS' FUNDS

Shareholders' funds consist of stated capital plus capital and revenue reserves.

TOTAL DEBT

Long-term loans plus short-term loans and overdrafts.

TOTAL VALUE ADDED

The difference between net revenue (including other income) and expenses, cost of materials and services purchased from external sources.

HUNAS HOLDINGS PLC – PQ 72

NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH ANNUAL GENERAL MEETING, OF HUNAS HOLDINGS PLC, WILL BE HELD ON 30TH OF SEPTEMBER 2026 AT 11.00 A.M, AT CHARTERED INSTITUTE OF PERSONNEL MANAGEMENT SRI LANKA (CIPM) AUDITORIUM, 43 VIJAYA KUMARATHUNGA MAWATHA, COLOMBO 05, SRI LANKA FOR THE FOLLOWING PURPOSES: -

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.
2. To receive and consider the Statement of Audited Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.
3. To re-elect Mr. Mohamed Ansar Afzal Atheeq as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
4. To re-elect Ms. Misako Tanaka as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
5. To re-elect Mr. Koji Sugimoto as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
6. To re-elect Mr. Amarakone Mudiyansele Madhura Duke De Lanerolle as a Director of the Company, who retires by rotation in terms of Article 26 (2) of the Company's Articles of Association.
7. To re-appoint Messrs. Ernst & Young, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine contributions to charities and other donations for the year 2026/2027.
9. To consider any other business of which due notice is given

BY ORDER OF THE BOARD OF DIRECTORS OF
HUNAS HOLDINGS PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED



SECRETARIES

Date: 03rd September 2026

Note:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his / her stead.
2. A proxy need not be a member of the Company.
3. The completed form of proxy should be deposited at the Registered Office of the Company Hunas Holdings PLC, No.23, Alfred Place, Colombo 03, not later than 48 hours before the time appointed for the holding of the meeting.
4. Link to view the annual report
Colombo Stock Exchange: (<https://www.cse.lk/home/market>)
Hunas Holdings PLC: <https://www.hunasfallshotelkandy.com/annual-reports.html>



HUNAS HOLDINGS PLC – PQ 72

Annual General Meeting

FORM OF PROXY

I/We, ... (NIC No.....)
of
being a member/ members of Hunas Holdings PLC hereby appoint Mr/ Mrs/ Ms
..... (NIC No.....) of
.....
..... failing him / her,

Mr. W. S. L. A. D. R. Samarasinghe	of Pittakotte	failing him
Ms. G. S. M. Irugalbandara	of Kaduwela	failing her
Mr. M. A. A. Atheeq	of Colombo 04	failing him
Ms. P. Wickramanayake	of Mahawewa	failing her
Mr. G. Vinothan	of Colombo 04	failing him
Mr. Toshiaki Tanaka	of Colombo 03	failing him
Ms. Misako Tanaka	of Colombo 03	failing her
Mr. Koji Sugimoto	of Colombo 03	failing him
Mr. A. M. M. D. De Lanerolle	of Kelaniya	

as my /our Proxy to represent me/ us and vote and speak for me/us on my/ our behalf at the Thirty Seventh Annual General Meeting of the Company to be held on 30th of September 2026 at 11.00 a.m, at Chartered Institute Of Personnel Management Sri Lanka (Cipm) Auditorium, 43 Vijaya Kumarathunga Mawatha, Colombo 05, Sri Lanka and at any adjournment thereof and to vote at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a “X” against the Resolution Number.

	<u>FOR</u>	<u>AGAINST</u>
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.	☐	☐
2. To receive and consider the Statement of Audited Accounts for the year ended 31 st March 2026 with the Report of the Auditors thereon.	☐	☐

- | | | |
|---|--------------------------|--------------------------|
| 3. To re-elect Mr. Mohomed Ansar Afzal Atheeq as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association. | ☐ | ☐ |
| 4. To re-elect Ms. Misako Tanaka as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association. | ☐ | ☐ |
| 5. To re-elect Mr. Koji Sugimoto as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association. | ☐ | ☐ |
| 6. To re-elect Mr. Amarakone Mudiyansele Madhura Duke De Lanerolle as a Director of the Company, who retires by rotation in terms of Article 26 (2) of the Company's Articles of Association. | ☐ | ☐ |
| 7. To re-appoint, Messrs. Ernst & Young, Chartered Accountants, until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. | ☐ | ☐ |
| 8. To authorize the Directors to determine contributions to charities and other donations for the year 2026/27. | ☐ | ☐ |

As witness my/ our hand/s this day of 2026

.....
NIC Number / Reg. No

.....
(Signatures)

Note: Link to view the annual report
Colombo Stock Exchange: (<https://www.cse.lk/home/market>)
HUNAS HOLDINGS PLC: <https://www.hunasfallshotelkandy.com/annual-reports.html>

HUNAS HOLDINGS PLC – PQ 72

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. Please complete the Form of Proxy after filling in legibly your full name, NIC number and address and by signing in the space provided.
2. If you wish to appoint a person other than the Chairman (or failing him any one of the Directors) as your Proxy, please insert the relevant details in the space provided.
3. If the shareholder is a Company or body corporate, a form of Corporate Representation executed under its Common Seal in Accordance with its Articles of Association or Constitution should be submitted.
4. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy
5. Please indicate clearly with an “x” in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
6. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company, Hunas Holdings PLC, No.23, Alfred Place, Colombo 03 **not less than 48 hours before the time appointed for holding the meeting.**

CORPORATE INFORMATION

NAME OF COMPANY	Hunas Holdings PLC
COMPANY NUMBER	PQ 72
LEGAL FORM	A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1989
BOARD OF DIRECTORS	Mr. W.S.L.A.D.R. Samarasinghe Chairman Mr. M.A.A. Atheeq Ms. G.S.M. Irugalbandara Ms. P. Wicramanayake Mr. T. Tanaka Ms. M Tanaka Mr. G. Vinothan Mr.Koji Sugimoto Mr.Madhura De Lanerolle (With effect from 11.05.2026)
SECRETARIES	S S P Corporate Services (Pvt) Ltd No: 101, Inner Flower Road, Colombo 03. Phone: +94 11 2573894
AUDITORS	Ernst & Young Chartered Accountants 839/2, Peradeniya Road Kandy Sri Lanka
REGISTERED OFFICE	No: 23, Alfred Place, Colombo 03
BANKERS	Sampath Bank PLC Commercial Bank of Ceylon PLC Nations Trust Bank PLC Hatton National Bank PLC National Development Bank PLC DFCC Bank PLC The Hongkong and Shanghai Banking Corporation Bank of Ceylon PLC Cargills Bank PLC

