ANNUAL REPORT

2025 | 2026

THE LIGHTHOUSE HOTEL PLC





Ayubowan!

At Jetwing Hotels, our story is shaped by timeless family values of passion, humility, integrity, and tenacity. These beliefs are at the heart of everything we do, guiding the way we serve, connect, and create lasting impressions for every guest who stays with us.

With over 35 hotels across more than 15 destinations around the island, each of our properties reflects a shared commitment to thoughtful hospitality, shaped by its setting and brought to life by our people. Wherever you choose to stay, you will find a sense of familiarity that feels both genuine and reassuring.

From the moment you step into our homes of legendary Sri Lankan hospitality, you are welcomed with warmth, grace, and a heartfelt "Ayubowan". Our people, with their ever-present smiles, remain one of the defining touches of an iconic Jetwing experience. It is this simple, sincere care that ensures every stay feels natural, comfortable, and truly your own.

INDEX

Overview

About Us 03
Our Hotels 05
Financial Highlights 06
Chairman's Letter 08

Management Discussion and Analysis

Operating Environment 10
Group Financial Review 14
Sustainability Review 18

Stewardship

Risk Management 22
Corporate Governance 32
Board of Directors and their Profiles 50
Remuneration Committee Report 55
Audit Committee Report 56
Related Party Transactions Review Committee Report 58
Nominations and Governance Committee Report 59
Annual Report of the Board of Directors on the Affairs of the Company 61
Statement of Directors' Responsibilities 66

Financial Reports

Independent Auditor's Report 68
Statement of Financial Position 74
Statement of Profit or Loss 75
Statement of Comprehensive Income 76
Statement of Changes in Equity 77
Statement of Cash Flows 79
Notes to the Financial Statements 80

Annexes

Related Companies which had Transactions with the Company 128
Names of the Directors of the Related Companies which had Transactions 131
Information to Shareholders and Investors 133
Ten Year Summary 136
Real Estate Holdings of the Group 139
Recurrent Related Party Transactions 140
Corporate Information 141
Notice of Meeting 142
Form of Proxy 144





About Us

Set along Sri Lanka's southern coastal belt, The Lighthouse Hotel PLC brings together a carefully composed collection of beachfront and inland retreats, each offering a distinct interpretation of Jetwing's signature hospitality. United by a shared philosophy yet shaped by their individual settings, these properties reflect the varied character of the South, from oceanfront landmarks to secluded natural escapes.

At the heart of the portfolio is Jetwing Lighthouse, A Luxury Reserve, an enduring icon in Galle. Designed by the visionary Geoffrey Bawa, the hotel stands as a timeless expression of elegance and coastal grace. Inland, Jetwing Kurulubedda offers a more private retreat, where contemporary spaces are woven into the surrounding jungle with landscape, creating an atmosphere of romance and seclusion.

Further south, Hotel J Unawatuna provides a relaxed and accessible base for exploring the southern wonder, ideal for guests who prefer an easygoing pace that's easy on the pocket. Expanding the portfolio further, Mask & Tide now adds a fresh beachfront presence in Ambalangoda, bringing a renewed sense of energy and character to the collection following its rebranding.

Together, these properties present a considered selection of stays across the southern region, each defined by its location, personality, and a consistent standard of care that feels both welcoming and genuine.





Jetwing Lighthouse, A Luxury Reserve | Galle

An iconic landmark of Sri Lanka, Jetwing Lighthouse stands among the most luxurious retreats in the Jetwing luxury reserves. Designed by Geoffrey Bawa, its dramatic stairway and open spaces frame sweeping ocean views from every corner. Set on a promontory near Galle Fort, the hotel offers 5 themed suites, 80 luxury rooms, world-class dining, a spa, and striking event spaces.



Jetwing Kurulubedda | Galle

A premium hotel in Jetwing's portfolio, Jetwing Kurulubedda is an intimate retreat set away from the busy streets of Galle, surrounded by water, greenery, and open skies. With just six private rooms, including two dwellings with plunge pools, each stay feels personal and unrushed. Thoughtful dining, intuitive service, and a strong connection to nature define a form of luxury rooted in space and simplicity.



Mask & Tide | Ambalangoda

Reimagined from the former Hotel J Ambalangoda and now positioned as a Select Hotel, Mask & Tide is a vibrant beachfront escape on Sri Lanka's southern coast. Inspired by local mask traditions and the rhythm of the sea, it blends bold design with a tropical spirit. Set right by the beautiful shoreline, it is made for beach getaways, sea breeze, and the coastal energy of the south.



Hotel J Unawatuna

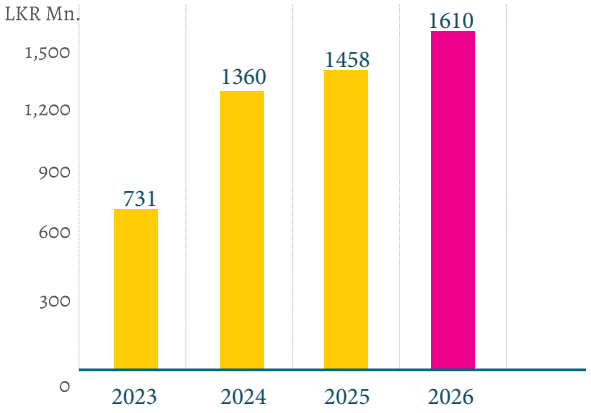
Set in the lively town of Unawatuna and a short walk from the beach, Hotel J Unawatuna is a select service property from Jetwing's 'Essentials' category. With 31 rooms and 22 dorm beds, it is perfect for friends and families. A pool, relaxed dining, and a central location makes it ideal to explore the south coast without digging deep into your pockets.

Financial Highlights

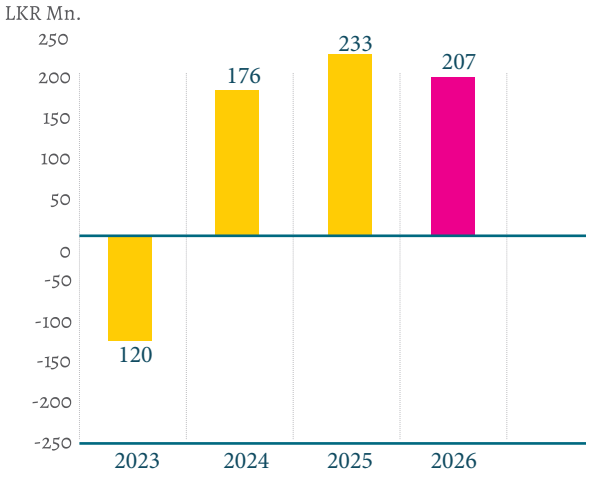
Performance for the year ended 31st March		2026	2025
Revenue	LKR '000	1,610,108	1,457,675
Earnings before interest, tax, depreciation & amortisation (EBITDA)	LKR '000	487,114	470,683
Profit/(Loss) before tax	LKR '000	353,989	359,694
Profit/(Loss) after tax	LKR '000	207,449	233,239
Earnings/(Loss) per share	LKR	4.51	5.07
Return on Equity	%	6	8
Financial Position as at 31st March			
Total Assets	LKR '000	4,777,007	4,309,689
Total Debt	LKR '000	311,235	146,901
Total Equity	LKR '000	3,311,108	3,238,553
Number of shares in issue	No.'000s	46,000	46,000
Net Assets per share	LKR	71.98	70.40
Debt/Equity	%	9	5
Debt/Total Assets	%	7	3
Current Ratio		0.55:1	1.02:1
Quick Asset Ratio		0.46:1	0.94:1
Market/Shareholder information			
Market price per share as at 31st March	LKR	65.20	58.10
Market Capitalisation	LKR '000	2,999,200	2,672,600
Value added for the year ended 31st March			
To Government as Income Tax	LKR '000	146,540	126,454
To Employees	LKR '000	350,033	296,660
To Shareholders	LKR '000	138,000	138,000

Financial Highlights Contd.

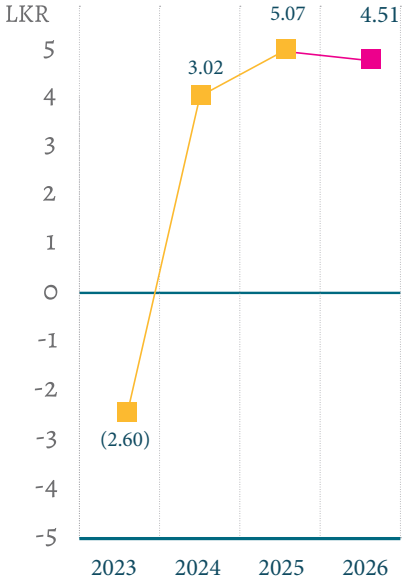
Revenue



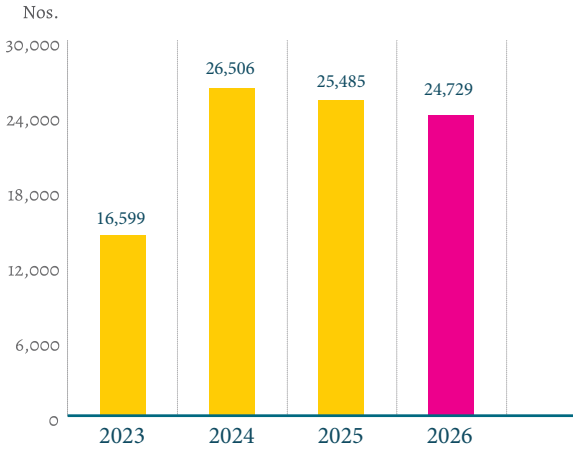
Profit/ (Loss) after Tax



Earnings/ (Loss) per Share



Room Nights Occupied



Chairman's Statement

To the shareholders and well-wishers of
The Lighthouse Hotel PLC
Ayubowan (may you live long)!

As I write this letter, I am once again reminded of how resilient our country, our industry, and our people have been. After years of uncertainty, we are now seeing a more stable Sri Lanka, a stronger tourism industry, and a renewed confidence among travellers who choose to visit our beautiful island. For this, I thank and praise God, while also remembering that stability and recovery can never be taken for granted.

Your group recorded another year of growth. Group revenue increased by 10% to Rs. 1.61 billion, compared to Rs. 1.46 billion in the previous year. At company level, comprising Jetwing Lighthouse and Jetwing Kurulubedda, profit before tax increased by 5% to Rs. 369 million, compared to Rs. 352 million in the previous year. While this increase was not as strong as we would have liked, it was nevertheless a positive result in a year that had its fair share of challenges. Higher taxes, rising costs and difficult market conditions all had an impact, while towards the end of the year, global travel disruptions arising from the crisis in the Middle East also affected momentum. At group level, profit before tax was impacted by the acquisition of Dream Beach Resort Pvt Ltd, which owns Mask & Tide, Ambalangoda, the group's newest hotel. We are confident this acquisition will support future growth and strengthen the long term prospects of the group.

The months of January and February were very encouraging and contributed greatly to the year's performance. March was also a good month in many ways, but we did face cancellations and loss of business as flight disruptions and uncertainty affected many of our key markets. Cyclone Ditwah also reminded us that even when business is moving well, nature can humble us without warning. I am grateful that our teams responded with speed, care and courage, and that your company was able to end the year better than the previous year.

Jetwing Lighthouse and Jetwing Kurulubedda, which remain at the heart of the company, performed well during the year. Jetwing Lighthouse is not an ordinary hotel. It is a landmark, a legacy and a living work of art. It carries with it the spirit of Galle, the genius of Geoffrey Bawa, and the warmth of Jetwing hospitality. There are many hotels by the sea, but very few have the soul, character and strength of Jetwing Lighthouse. I am thankful to the team for protecting that spirit while continuing to improve the experience for our guests.

Jetwing Kurulubedda also continued to perform well. It is a quiet and intimate property, hidden away from the busy streets of Galle. It gives our guests a different feeling of Galle, one that is more peaceful, private and personal. In a world where many travellers are looking for space and meaning, Jetwing Kurulubedda has an important role to play in the future of the company.

Our subsidiaries had a more mixed year. Hotel J Unawatuna recorded a slight dip when compared with the previous year, mainly due to market challenges in that area. During the year, your company acquired Dream Beach Resort Pvt Ltd., which was previously known as Hotel J Ambalangoda. This property has now been upgraded and rebranded as Mask & Tide Ambalangoda. The intention is to create one of the best beachfront three star hotels on the South Coast, with a fresh look, a clear identity and a strong sense of value. The property did not perform well during the year, mainly because it was closed for a few months for renovations and relaunching. This was expected, and I am confident that the investment will bear fruit in the years ahead.

Further upgrades to Mask & Tide are ongoing since 1st May 2026, and the property is expected to reopen in July 2026 with enhanced rooms, additional rooms and improved public spaces. Ambalangoda is a town with history, colour and character. It is known for masks, art and the ocean. With the right positioning and the right product, I believe Mask & Tide can bring new energy to this part of the coast and create value for guests, partners, associates and the local community.

At Jetwing Lighthouse, we continue to invest carefully in the future. Construction of a new pool is expected to begin shortly. This will help us create a new room category and strengthen revenue opportunities at the hotel. More importantly, it will add another layer to the guest experience without taking away from the heart of the property.

We also placed renewed focus on food and beverage during the year. Nihal's was relaunched as a specialist Pan Asian restaurant, bringing a sharper and more distinct identity to one of the hotel's key dining spaces. The Cinnamon Room was further enhanced as our fine dining restaurant, while the Anchor Bar and Pizzeria improved its poolside offering. The Coats of Arms Bar, which is one of the most iconic bars in Sri Lanka, was refreshed with a new menu, and Cardamom Café was improved with a better buffet setup and enhanced menus for à la carte and set menu dining.

A key development during the year was the implementation of the Jetwing Hotels brand segmentation strategy. The objective is to speak more clearly to the right audiences, position our hotels at the right price points, and communicate the experiences of each property with greater clarity. Within this framework, the Lighthouse group now carries all key segments of the Jetwing portfolio. Jetwing Lighthouse is positioned within the luxury collection, Jetwing Kurulubedda within the premium collection, Mask & Tide within the select collection, and Hotel J Unawatuna within the essentials category. This sharper segmentation will allow our sales, marketing, distribution and operational teams to better target the right guests and protect the long term value of each property.

During the year, the group also made significant progress in strengthening its technology infrastructure. We introduced best in class solutions such as OPERA Cloud PMS, Micros Simphony POS, and Oracle Fusion ERP, all within the Oracle ecosystem. These systems will give us a stronger foundation for operational efficiency, financial control, data driven decision making, and future guest experience improvements. Additional supporting products will be rolled out in the coming months to further enhance operations and the way we serve our guests. While technology can never replace the warmth of Sri Lankan hospitality, it can help our teams perform better and allow our guests to receive a smoother and more personalised experience.

The Jetwing Sustainability strategy continues to guide how we operate. Across your company's properties, our teams remain committed to responsible energy and water use, waste management, biodiversity protection, community engagement, local sourcing, and creating meaningful livelihoods. For Jetwing, sustainability is not a slogan or a certificate. It is a way of thinking that has been part of our journey for many years. I encourage shareholders and well-wishers to visit the properties, engage with the teams, and see first hand the initiatives that continue to create a positive impact.

Looking ahead, the new financial year may not be straightforward. The ongoing global situation has created uncertainty, particularly for summer travel. Even if conditions improve, it may take time for global travel demand to recover, especially with higher costs of living in many source markets and the very high cost of air travel. Existing bookings will also face cost pressures, and we expect operating costs to increase significantly in the coming months, with only marginal upside from international revenues. However, we remain more hopeful about the winter season, where we expect stronger demand if geopolitical and aviation conditions stabilise.

Sri Lanka must continue to protect the gains it has made. Tourism is one of the few industries that can quickly bring foreign exchange into the country, create employment across many communities, and encourage investment throughout the island. But we cannot depend only on the beauty of our island. We must market Sri Lanka properly, improve ease of travel, protect our natural assets, maintain policy consistency, and attract the right travellers who value what Sri Lanka has to offer.

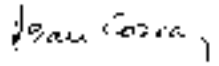
I wish to place on record my sincere appreciation to Dr. Pathiraja, who retires from the Board of The Lighthouse Hotel PLC. He served the company with commitment, wisdom and care, and we are grateful for the time and guidance he gave over the years. On behalf of the Board, the management and the shareholders, I thank him warmly and wish him good health, peace and happiness in the years ahead.

I would like to congratulate our sales, marketing and operations teams for keeping the portfolio in strong condition and positioning despite challenging circumstances. I also thank all other teams of the managing agents for the work they do, often quietly, to support the performance of your company. Most of all, I thank the managers and associates of Jetwing Lighthouse, Jetwing Kurulubedda, Hotel J Unawatuna and Mask & Tide. They are the heart of your company. It is through their care, discipline, warmth and resilience that our guests continue to experience the legendary Sri Lankan hospitality for which Jetwing is known.

I also thank my fellow Directors, the members of the Board committees, the managing agents, Jetwing Hotels Ltd., our banking partners, suppliers, travel agents, tour operators, online partners, local communities, government authorities, and all our guests and shareholders.

As we enter a new financial year, I remain cautiously optimistic. We have learnt over the past several years that challenges can come without warning, whether from within our country or beyond our shores. But we have also learnt that with faith, discipline, resilience and unity, we can overcome even the most difficult situations. I pray that our leaders will make wise decisions, that our industry will act with confidence and responsibility, and that our people will continue to work together for the good of our beloved nation.

Blessings,



Hiran Cooray
Chairman
The Lighthouse Hotel PLC
3rd June 2026

Operating Environment

The Global Economy

During the reporting period, the global economy remained resilient, although growth stayed uneven across regions. The IMF projected global growth at 3.3% in 2026 and 3.2% in 2027, following an estimated 3.3% in 2025, supported by technology-led investment, accommodative financial conditions and continued private sector adaptability despite policy and geopolitical uncertainty

Inflation was expected to moderate further, although the pace of disinflation remained uneven across economies. The IMF projected global headline inflation to ease from an estimated 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027, with inflation in the United States expected to return to target more gradually than in other major economies.

Advanced economies expanded at a slower pace, while emerging markets continued to account for the greater share of global growth. The United States remained relatively resilient, Europe experienced softer conditions, and Emerging Asia continued to provide important support to overall expansion, consistent with the IMF's January 2026 assessment of an uneven but steady outlook.

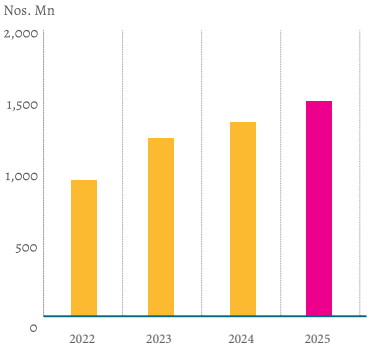
Global trade and investment were shaped by shifting tariff policies, fragmented supply chains and cautious corporate spending. By March 2026, the escalation of the Middle East crisis added a further layer of risk through disruptions to aviation corridors, shipping routes, energy markets and business confidence, reinforcing existing external volatility.

By March 2026, the principal risk was not a sharp contraction in activity, but the fragility of the recovery path. The ongoing Middle East crisis heightened uncertainty around fuel prices, transport costs, travel connectivity and investor sentiment, while slower investment, fiscal pressures and protectionist tendencies continued to weigh on confidence.

Global Tourism

Global tourism entered the reporting period from a position of strength and continued to advance through 2025. UN Tourism estimated international tourist arrivals at approximately 1.523 billion in 2025, representing growth of 4% over 2024 and placing global volumes around 4% above 2019 levels, supported by firm travel demand, improved connectivity and continued recovery across key regions.

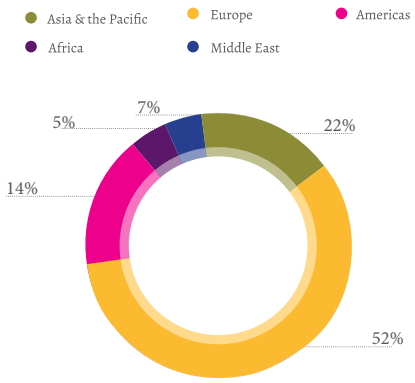
International Tourist Arrivals



Travel demand remained robust through most of 2025 despite inflation in tourism services and broader geopolitical uncertainty. However, by March 2026 the escalating Middle East crisis had disrupted major air corridors linking Asia, Europe and the Gulf, increased travel costs and weakened traveller confidence in some markets, creating a more fragile backdrop for global tourism.

Operating Environment Contd.

International Tourist Arrivals by Region



Even so, global tourism continued to move from recovery to expansion, providing a supportive backdrop for destination markets and hotel operators. The sector remained resilient overall, although more exposed by March 2026 to airspace disruptions, itinerary changes, higher operating costs and softer booking sentiment in selected corridors.

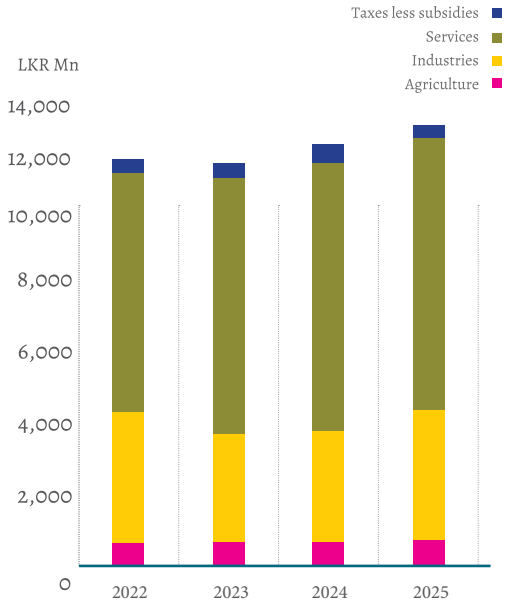
Overall, the global tourism environment during the reporting period was characterised by sustained demand, improved mobility and a gradual normalisation of spending and occupancy trends. This remained broadly supportive for the hospitality industry, notwithstanding competitive, macroeconomic and geopolitical pressures.

The Sri Lankan Economy

During the reporting period, Sri Lanka's economy continued to recover, supported by improved macroeconomic stability, tourism inflows, remittances and easing financial conditions. Official data indicated that real GDP grew by 5.0% in 2025, marking a second consecutive year of expansion, while greater policy consistency and reform progress helped strengthen confidence despite global trade and geopolitical uncertainty.

Inflation dynamics improved materially during the reporting period. Following a phase of deflation in early 2025, inflation turned positive from August 2025 as energy-related price declines eased and food prices increased, while domestic demand remained firm. Against this backdrop, monetary conditions became more supportive of recovery, even as the Central Bank remained focused on medium-term price stability

GDP



The external position strengthened further, supported by tourism earnings and worker remittances, which improved reserves and foreign exchange liquidity. These inflows enabled a continued build-up of reserves despite external debt service payments, while the Sri Lanka rupee recorded only modest depreciation under the flexible exchange rate regime.

Progress continued on the fiscal and reform agenda, including stronger revenue performance and advances in debt restructuring. However, structural constraints, social pressures and global uncertainty continued to weigh on the medium-term outlook. By March 2026, the economy was on a more stable footing, although sustaining growth will require continued reform momentum, investment and employment creation.

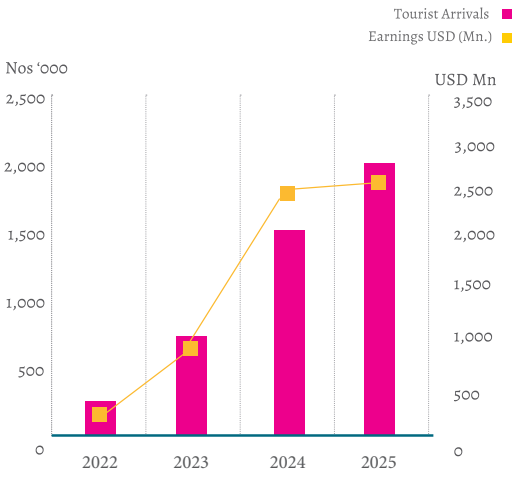
Overall, the period reflected a transition from recovery to stabilisation. While macroeconomic conditions improved materially from the crisis years, the outlook remained dependent on policy consistency, external stability and the ability to convert recovery into broader-based and sustainable growth.

Operating Environment Contd.

Sri Lankan Tourism

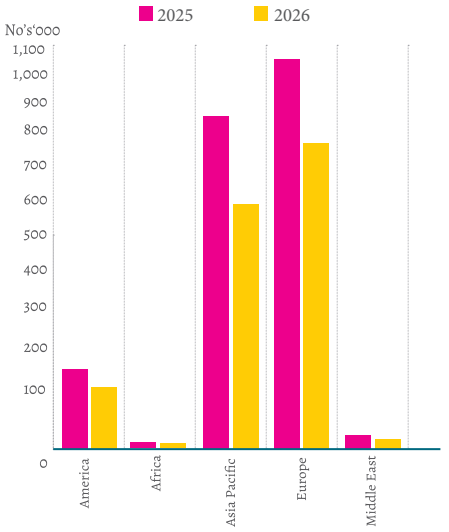
During the reporting period, Sri Lanka's tourism sector maintained strong momentum and remained a key contributor to economic recovery. Tourist arrivals reached approximately 2.36 million in calendar year 2025, while arrivals in the first quarter of 2026 totalled 740,634 despite a marked slowdown in March linked to disruptions affecting regional air connectivity and travel flows. Demand continued to be supported by key source markets including India, the United Kingdom, Russia, Germany and China Tourism earnings strengthened only marginally despite the sharp increase in visitor volumes.

Annual Tourist Arrivals/Tourism Earnings



While tourist arrivals rose to a record level in 2025, tourism earnings increased only modestly to approximately USD 3.22 billion from USD 3.17 billion in 2024, indicating a decline in average earnings per tourist. This highlights the importance of destination marketing strategies that focus not only on increasing arrivals, but also on improving yield by attracting higher-value segments and increasing tourism earnings per visitor.

Tourist Arrival by Country of Residence 2025



India remained the largest source market, while traditional European markets and regional travellers continued to support resilience in arrivals. The sector also benefited from improved connectivity, stronger destination appeal and a more stable operating environment than in preceding years.

By March 2026, tourism remained on a positive trajectory and continued to support foreign exchange inflows, employment and hotel sector performance. However, the ongoing Middle East crisis increased risks around flight connectivity, fuel-related travel costs and traveller sentiment in certain long-haul markets, leaving the external environment supportive but more uncertain.

Overall, the reporting period marked a clear strengthening of Sri Lanka's tourism recovery. The sector moved beyond rebound to growth, providing a firmer platform for the hospitality industry and supporting the country's broader economic stabilization.


For moments like this, luxury by the coast

Group Financial Review

REVENUE

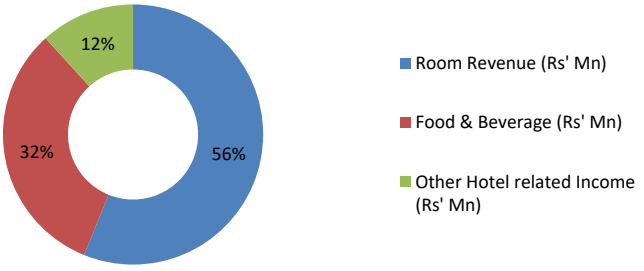
Revenue momentum strengthened during the financial year, supported by improved demand conditions and a more favourable operating environment for the hospitality sector. The year also marked a strategic expansion of the Group's portfolio through the acquisition of the entire issued share capital of Dream Beach Resort (Pvt) Ltd on 8 April 2025. The acquisition added Hotel J Ambalangoda to the Group's portfolio, and the property was subsequently repositioned and relaunched in December 2025 as Mask & Tide Ambalangoda, further strengthening the Group's presence in the leisure segment.

Group revenue increased to LKR 1,610 Mn during the year under review, compared with LKR 1,458 Mn in the previous year. Room revenue grew by 5%, supported by an 8% increase in average room rates, despite softer occupancy compared with the previous year. The depreciation of the Sri Lankan Rupee against the US Dollar during the year also had a favourable impact on revenue performance. International travellers accounted for 70% of total guests, while domestic travellers represented the remaining 30%, and average occupancy for the year stood at 48%.

Food and beverage income increased by 23% year-on-year, supported primarily by revised pricing across meal offerings during the year

The Group's results for the year include the full-year contributions of Dream Beach Resort (Pvt) Ltd and Unawatuna Properties (Pvt) Ltd, which contributed revenue of LKR 29 Mn and LKR 83 Mn, respectively. Following the acquisition, the Group further strengthened its presence on the southern coast through the Ambalangoda property, which was subsequently repositioned under the Mask & Tide brand.

Revenue Composition 2026

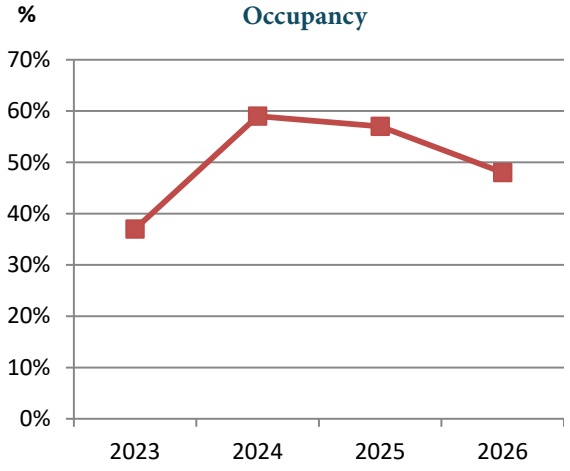


EXPENSES

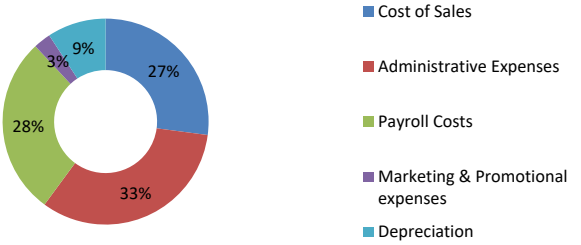
Total expenses excluding finance costs increased by 14% during the year under review to LKR 1,248 Mn, compared with LKR 1,097 Mn in the previous year.

The increase in operating expenses during the year was primarily attributable to a 17% rise in cost of sales, together with increases in administrative expenses and payroll costs of 8% and 18%, respectively. The overall cost base was also influenced by the inclusion of the acquired subsidiary during the year. Payroll costs increased mainly due to annual remuneration adjustments and the operational requirements of maintaining service standards across the Group's properties. Depreciation for the year amounted to LKR 117 Mn.

Occupancy



Expenses Composition 2026

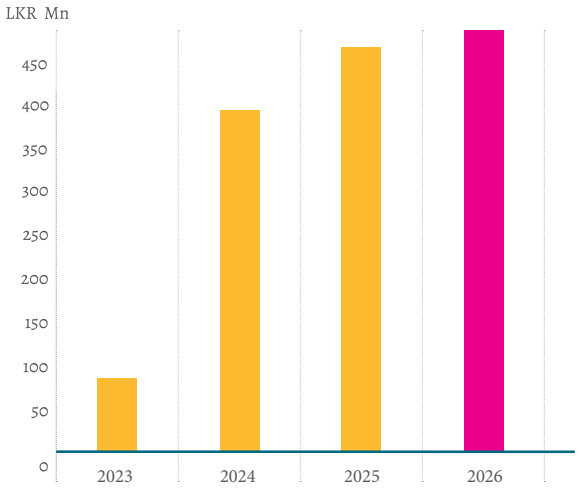


Group Financial Review Contd.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA)

The Group reported EBITDA of LKR 487 Mn for the year under review, compared with LKR 471 Mn in the previous year. The improvement was driven by stronger topline performance and the benefit of improved room rates, which supported improved operating performance during the year.

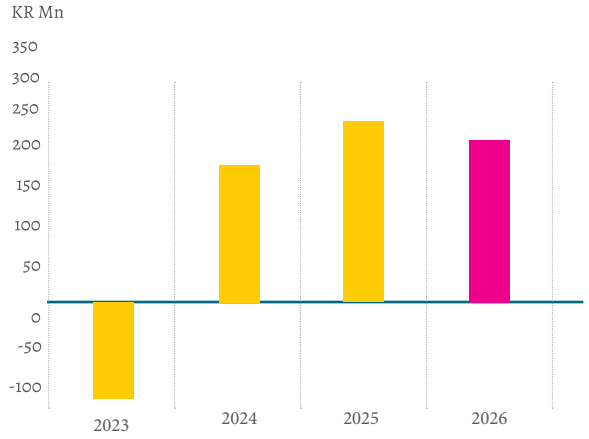
EBITDA



PROFITABILITY

The Group reported profit before tax of LKR 354 Mn for the year under review, compared with LKR 360 Mn in the previous year. While higher revenue supported earnings, profitability was affected by the increase in finance costs of LKR 14 Mn and the initial loss incurred by the acquired subsidiary during the year. This was partly offset by a gain on bargain purchase of LKR 12.2 Mn recognised on acquisition. The income tax charge for the year increased to LKR 147 Mn from LKR 126 Mn in the previous year, primarily due to the application of a 30% tax rate on taxable profits. As a result, profit after tax declined to LKR 207 Mn, compared with LKR 233 Mn in the previous year.

Profit/ (Loss) before Tax



STATEMENT OF FINANCIAL POSITION

The Group's total assets as at 31 March 2026 increased to LKR 4,777 Mn from LKR 4,310 Mn in the previous year. The increase was principally driven by the recognition of assets amounting to LKR 595 Mn on the acquisition of the subsidiary, together with capital expenditure incurred on the renovation and repositioning of the Ambalangoda property. Property, plant and equipment additions during the year amounted to LKR 193 Mn.

As at 31 March 2026, the Group's gearing ratio increased to 9%, reflecting the additional funding requirements associated with acquisition and investment activity during the year

SHAREHOLDERS' FUNDS

Shareholders' funds as at 31 March 2026 increased to LKR 3,311 Mn from LKR 3,239 Mn in the previous year. Net assets per share as at 31 March 2026 stood at LKR 71.98.

CASHFLOW STATEMENT

The Group's cash position as at 31 March 2026 moved to a net overdraft position of LKR 119 Mn, compared with a positive balance of LKR 13 Mn in the previous year. Net cash generated from operating activities amounted to LKR 370 Mn. Net cash outflows on investing activities amounted to LKR 434 Mn, which included LKR 341 Mn relating to the acquisition of the subsidiary. Net cash outflows on financing activities amounted to LKR 68 Mn, mainly reflecting loan repayments and dividend payments.


For moments like this, shared in intimate seclusion



Sustainability Review

The Lighthouse Hotel PLC, comprising four properties, Jetwing Lighthouse, Jetwing Kurulubedda, Hotel J Unawatuna, and Mask & Tide, operates under the Jetwing Hotels brand and is guided by the Group's comprehensive sustainability strategy. This framework articulates six key focus areas: climate action, resource efficiency, heritage stewardship, thriving communities, an empowered workforce, and impact sourcing. Embedded across all levels of operations, this structured approach ensures that sustainability is not treated as a standalone initiative, but as an integral responsibility shared by every associate. Through the consistent application of this framework, we strive to minimize our environmental footprint while enhancing positive social outcomes, thereby reinforcing our commitment to responsible and sustainable hospitality.

At The Lighthouse Hotel PLC, we recognize that a healthy environment is fundamental not only to our long-term success, but also to the well-being of the planet we call home. Guided by an unwavering commitment to protect and nurture the natural world, we continuously monitor our environmental footprint and implement responsible resource management practices to support the preservation of fragile ecosystems.

Through innovative and sustainable approaches to water conservation, including advanced treatment and reuse systems, we have meaningfully reduced pressure on this critical and finite resource. These efforts are complemented by a comprehensive solid waste management framework, which promotes responsible disposal through recycling, composting, and the use of biodigesters, thereby minimizing environmental impact while supporting circularity.

In our continued response to climate change, we remain focused on reducing energy consumption through targeted efficiency initiatives, while progressively increasing our reliance on renewable energy sources such as solar power. During the financial year under review, we further strengthened our commitment to sustainable mobility by expanding our electric vehicle (EV) charging infrastructure, enabling both guests and associates to adopt zero-emissions transportation with greater convenience.

Building on the EV charging unit established at Jetwing Lighthouse in the previous financial year (2024/25), we partnered with Volt Charge to extend our footprint, commissioning additional charging stations at Hotel J Unawatuna and Mask & Tide. This strategic expansion reflects our broader commitment to supporting the transition towards cleaner transportation alternatives within the hospitality sector.

The Lighthouse Hotel PLC continues to uphold industry-leading standards that extend beyond regulatory compliance. At Jetwing Lighthouse, we maintain an Environmental Management System certified to the internationally recognized ISO 14001:2015 standard, reinforcing our systematic approach to environmental stewardship and continuous improvement. During the year, the Travelife remote certification review was successfully completed for Jetwing Lighthouse, reaffirming ongoing compliance with established sustainability criteria and enabling the seamless continuation of certification. In parallel, the hotel's energy management system progressed toward ISO 50001 certification, with the successful completion of the Stage I assessment, underscoring our commitment to enhancing energy performance, reducing consumption and costs, and driving sustained operational efficiency.

Our commitment to biodiversity conservation remains a cornerstone of our sustainability journey. The forest restoration initiative 'LIFE' at Kanneliya, led by Biodiversity Sri Lanka (BSL) as a multi-stakeholder platform, successfully restored 12 hectares of degraded land between 2018 and 2023, creating a resilient young forest ecosystem.

Jetwing Hotels supported the initiative as a key funding partner from its inception, alongside several other corporate contributors, while technical expertise was provided by International Union for Conservation of Nature, under the guidance of the Forest Department of Sri Lanka.

With the project having achieved its reforestation milestone and transitioned into the maintenance phase, Jetwing Lighthouse continued supporting the maintenance and protection of the restored forest patch during the financial year under review, helping safeguard its long-term ecological resilience and sustainability.

Sustainability Review Contd.

Building on our enduring commitment to our people, The Lighthouse Hotel PLC continued to cultivate a stable, inclusive, and people-centric workplace. No material issues were reported in relation to employees or industrial relations during the year, reaffirming the Company's focus on maintaining a harmonious and productive working environment.

We remained committed to attracting and developing young talent, with a significant proportion of new recruits under the age of 30, while actively promoting diversity, equity, and equal opportunity across all levels of the organization. A substantial share of recruitment was sourced locally, contributing to regional economic development and further strengthening our connections with surrounding communities.

This people-centric approach is underpinned by a comprehensive framework of policies and practices encompassing human rights, occupational health and safety, equitable remuneration, and structured grievance mechanisms, ensuring a workplace that is fair, respectful, and secure for all associates.

Continuous investment in training and development remained a priority, empowering our teams to consistently deliver exceptional service standards. Health and safety performance was effectively maintained throughout the year, with minimal incidents recorded, reflecting the strength of our systems and the collective responsibility embraced by our associates.

The Company also sustained its engagement with local communities through a range of initiatives, reinforcing our commitment to responsible and inclusive business practices, and ensuring that our operations continue to generate meaningful and lasting value for the communities we serve.

Jetwing Lighthouse periodically hosts a curated Artisan Market, providing a platform for local artisans from surrounding communities to showcase their craftsmanship and directly engage with guests. In the last FY we hosted over 30 such markets, not only supporting the livelihoods of small-scale producers, but also celebrating and preserving the unique cultural heritage and traditional skills of the region, fostering meaningful connections between our guests and the local community.

The community pool at Jetwing Lighthouse remains one of our longest-standing and most impactful community initiatives. Established in the aftermath of the 2004 tsunami, the programme was designed to equip children from surrounding communities with essential swimming skills, promoting both safety and confidence in a coastal environment.

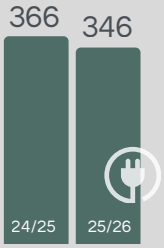
The infographic on the following page highlights key achievements in environment, employee relations, and community engagement for the financial year 2025/26.

For a deeper dive into each area for all our hotels, please see the Jetwing Hotels Environmental, Social, and Governance (ESG) Report 2025/26.

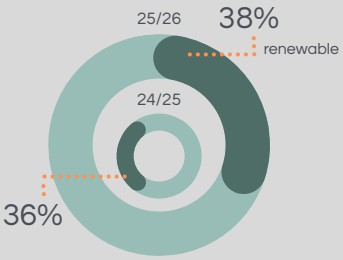
Jetwing SUSTAINABILITY
CREATING A BUTTERFLY EFFECT

SUSTAINABILITY PERFORMANCE

Environmental Performance



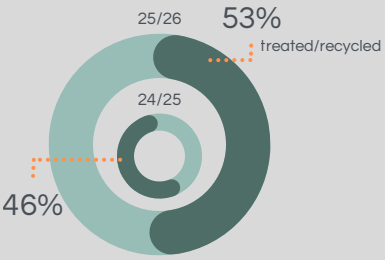
energy used per guest (MJ)



renewables in energy mix

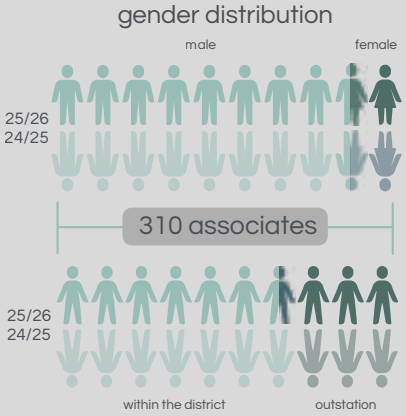


water used per guest (m3)

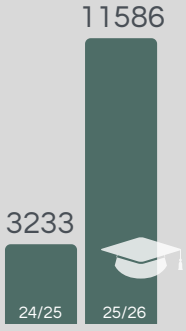


solid waste treated/recycled

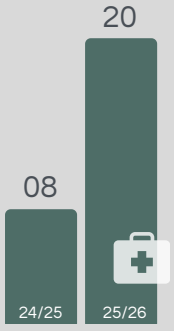
Employee Relations



regional distribution



training hours



health & safety issues reported

Community Engagement

88 (25/26) 24/25 43

community engagement programs conducted

20 (25/26) 24/25 20

local youth trained

100 (25/26)

(%) supplies sourced locally**

* 24/25 - year ending 31st March 2025 and 25/26 - year ending 31st March 2026
** from suppliers registered in Sri Lanka



For moments like this, made for carefree days and good company.

Risk Management

The risk management system of The Lighthouse Hotel PLC, is structured to identify and control the risks specific to the industry in which it operates as well as general risks applicable to all entities. Therefore, appropriate systems, policies and procedures are in place in all areas of management and they are periodically reviewed to ensure adequacy and adherence. In the current business environment, change has become the norm rather than the exception. By managing threats to the business, in a changing environment effectively, particularly the major threats that may affect our business plans and strategic objectives, we are able to protect or enhance our key assets appropriately. The Risk Management Model of Jetwing Lighthouse is shown below:



Risk Management Contd.

The Jetwing Lighthouse Group identifies three main categories of threats:

1. Strategic and Market Threats	Threats to the Group's high-level strategic objectives or risks from the external environment.
2. Operational Threats	Threats that arise from day-to-day operations of the Hotels.
3. Financial Threats	Those threats arise from the adverse movements in market prices, thosethat may threaten the Group's ability to have sufficient funds to meet financial obligations and the failure of a customer to meet its contractual obligations.

These main threats are then further analyzed into subcomponents risks.

Thereafter, each threat is assessed for potential impact and likelihood of occurring to quantify the associated risk. A risk Heat Map is then used to plot the risk associated with each threat based on the above. The horizontal axis shows the likelihood of a given threat occurring, that is, the likelihood that the threat will materialise and become an issue. The vertical axis shows the potential impact that the threat will have on the objective or goal not being achieved should it materialise. The associated risks are then quantified and the colours are risk areas (eg, green boxes are in the low area; yellow boxes are in the medium area; orange boxes are in the high area, red boxes are in the very high area).

The Lighthouse Hotel PLC Risk Heat Map

		Likelihood				
		1 Unlikely 0% to 10%	2 Possible 10% to 40%	3 Likely 40% to 70%	4 Probable 70% to 90%	5 Almost Certain
Impact	5 Catastrophic		1.1, 1.5			
	4 Major		1.2, 2.1	1.4, 2.3, 2.5, 2.6, 3.2, 3.3, 3.4, 3.5	1.3	
	3 Moderate		2.2, 2.7	2.4		
	2 Tolerable		3.1	2.8		
	1 Insignificant					

Risk Factors

In this section, we describe the foreseeable risks that could have a material effect on the Group's business operations, cash flow, financial condition, turnover, profits, asset Integrity, liquidity and capital reserves. We provide information on the nature of the risk, an indication of the potential impact and actions taken to mitigate risk exposure. Some risks may not yet be known to Jetwing Lighthouse and some that Jetwing Lighthouse does not currently believe to be material, could later turn out to be materil.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
1. STRATEGIC AND MARKET RISKS		
1.1. Risks relating to Infectious Diseases	**Risk Rating**	**High**
Infectious diseases has had a material detrimental impact on our business, financial results and liquidity, and such impact could worsen and last for an unknown period of time.	- Reduced travel and demand for hotel rooms thereby reduced revenue, cash flow and profitability. - Increase in operational expenses due to enhanced health and hygiene requirements. - Increase in the level of debt may adversely affect financial and operating activities or ability to incur additional debt. - In addition, as a result of the risks described above, we may be required to raise additional capital, and our access to and cost of financing will depend on, among other things, global economic conditions, Sri Lanka Economic conditions in the financing markets, the availability of sufficient amounts of financing, our prospects, and the outlook for the hotel industry as a whole.	- Evaluate the resilience of its businesses under multiple scenarios by considering a wide range of factors. - Take steps to curtail fixed costs whilst continuously enacting stringent protocols to minimize other direct costs. - Defer non-essential capital expenditure. - The board to monitor all possible cash flow positions and mitigating factors.
1.2. Business Risk	**Risk Rating**	**Medium**
The inability of the Group to achieve its business objectives.	- Reduced revenue, cash flow and profitability. - Hinder future growth.	- Detailed operational and capital expenditure budgets are formulated on an annual basis and formally approved by the Board. These plans are thereafter monitored and reviewed by the Board to assess actual performance against those planned and take remedial action wherever necessary. - Project feasibility studies are conducted for all major investments. - Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs. - Performing Competitor analyses.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
1.3. Political, Economic and Environmental Risks		
	Risk Rating	**Very High**
Major events affecting either economic or political stability on a global and local level represent a threat to the Group. -Middle East crisis	- Reduced revenue, increased operating costs resulting in reduced profitability and cash flows.	- Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity. - Being a member of Tourist Hotels Association of Sri Lanka, and working closely with them and other various trade associations, relevant authorities and lobby groups to create a better economic environment at all times.
Events that adversely impact domestic or international travel.	- Occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflicts, epidemics, natural disasters, increased cost of travel and industrial action. Reduced demand will impact on revenues and operational profitability.	- The Group has in place contingency and recovery plans to enable it to respond to major incidents or crises.
Risks from natural or man-created disasters.	- Loss of assets.	- Transferring risks to third parties through insurance policies. The adequacy of insurance covers is regularly reviewed and adjusted when necessary.
Geopolitical and Social Unrest Risk.	- Reduced international tourist arrivals due to political instability or geopolitical tensions globally. - Loss of investor confidence and long- term business partnerships. - Impact on associate safety and operations due to civil unrest or disruptions.	- Close coordination with local authorities and embassies to monitor geopolitical developments. - Diversification of target markets to reduce dependence on politically sensitive regions. - Preparedness plans including temporary closures or guest relocation protocols during high-risk periods.
1.4. Competitive Risk		
	Risk Rating	**High**
Group is exposed to the risks of the hotel industry supply and demand cycle such as competitive actions from existing hotels and new entrants increasing room supply and home sharing or rental services.	- Future operating results could be adversely affected by industry over- capacity of rooms. - Reduction in market share (lower occupancies) and rates resulting in reduced revenues, increase in marketing expenses reduced cash flows and profitability.	- Providing a unique service quality associated with Jetwing brand only. - Consistently delivering service quality to influence consumer preference and creating and maintaining value perception. - Make timely investments to upgrade the facilities. - Maintain the long term relationships with major tour operators.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
1.5. Environmental Risk		
	Risk Rating	**High**
Climate Change and Extreme Weather Events.	- Damage to infrastructure from floods, storms or rising sea levels. - Disruption in operations due to extreme weather conditions. - Increased insurance premiums or potential non-coverage. - Increased operational costs due to water scarcity or energy demands.	- Implementing sustainable building and landscape practices to enhance climate resilience. - Conducting periodic climate risk assessments and adjusting business continuity plans accordingly. - Working with insurers to ensure adequate and updated coverage for climate-related damage. - Investments in energy-efficient systems and water-saving measures.
Resource Scarcity – Energy and Water.	- Operational disruptions during shortages. - Increased utility costs impacting profitability. - Regulatory fines or penalties in regions with consumption limits. - Damage to brand image if perceived as wasteful.	- Sourcing renewable energy where available. - Installation of energy-efficient appliances and monitoring systems. - Implementation of water recycling and conservation systems. - Guest awareness programs on responsible usage.
Biodiversity and Land Use Impact.	- Negative community relations due to disruption of local ecosystems. - Regulatory scrutiny or restrictions on development. - Loss of natural aesthetics and attractiveness of hotel surroundings.	- Conducting environmental impact assessments prior to new development. - Using native plants in landscaping to support local ecosystems. - Supporting conservation initiatives in surrounding areas.

Risk Management Contd.

2. OPERATIONAL RISKS

	Potential Impact	Actions Taken to Mitigate Risk
2.1. Reputation and Intellectual Property Rights Risk		
	Risk Rating	**Medium**
Group is reliant on the reputation of its brand and the protection of its intellectual property rights.	- Service quality may not be delivered in accordance with the Jetwing standards. - Reduced brand value, market share, revenues, profitability and cash flows. - Increase Group's exposure to litigation.	- Continuous monitoring and review of online customer reviews and ratings. - Investments made in protecting the Group's brand from misuse and infringement, by way of trade mark registration and domain name protection. - Monitoring adherence to Group safety, operating and quality standards or the significant regulations applicable to hotel operations. - Provide regular training to associates to educate on the quality standards and new developments in the hospitality industry.
2.2. Demand		
	Risk Rating	**Medium**
Adverse impact on Group turnover due to shift in demand from traditional source markets to new emerging markets.	- Reduce room nights, revenue. - Lower room rates due to lower occupancy.	- The Group and hotels are well represented at international trade fairs. - Increase registration with Online Travel Agents. - Increase presence in social media channels. - Maintain the long-term relationships with major tour operators.
2.3. Employee Risk		
	Risk Rating	**High**
Failure to attract and retain skilled employees may threaten the success of the Group's operations. Migration of employees to overseas jobs. The younger generation is more inclined towards other career fields such as IT and technology.	- Inability to achieve planned business objectives. - Reduced quality of standards resulting in reduced guest satisfaction.	- Development and maintenance of a Group culture, compensation and benefits arrangements, training and development are key activities carried out. - Initiate Jetwing Youth Development Project. - Realigning of service standards.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
2.4. Technology Risk	**Risk Rating**	**Medium**
Failure to embrace emerging technology or implement existing technology correctly.	- Inaccurate information. - Reputation and performance of the group will be adversely affected. - Worsening efficiency, loss of competitive advantage.	- Regular review of systems and upgrades where appropriate. - Introduction of new technology where possible and appropriate.
2.5. Cybersecurity Risk	**Risk Rating**	**High**
The loss of confidentiality, integrity, or availability of information, data, or information (or control) systems.	- Loss of revenue. - Reduce profitability. - Loss of data. - Adverse impact on reputation.	- Conduct of cybersecurity assessment. - Dual authentication to be used for remote work. - Establish network access controls. - Implementation of SD WAN and antivirus software. - Continuously monitor network traffic.
2.6. Safety	**Risk Rating**	**High**
The Group could experience significant food safety or allergen related incidents through failings in food preparation, storage or supply chain. Physical security and safety incidents at one or more of our properties could jeopardise the safety of our guests and team members.	- Adverse impact on reputation . - Injury or fatality of guest or associate and the related legal liability exposure.	- Complying to HACCP/ISO 22000 food safety standards. - Security and fire safety procedures are in place at all of our properties including emergency evacuation plans. - Monitoring adherence to Group safety, operating and quality standards. - Availability of on call medical officers/ medical assistance. - Adequate public liability insurance covers are taken. - Routine inspections and maintenance of work areas, and installation of clear warning signs in high-risk zones. - Comprehensive staff training on safe work practices and provision of personal protective equipment. - Implementation of an incident reporting and tracking system for continuous improvement.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
2.7. Statutory and Legal Risk		
	Risk Rating	**Medium**
Threat of litigation due to legal and statutory requirements not being fulfilled.	- Legal fees and penalties resulting in reduced profitability. - Adverse impact on reputation. - Loss arising from defective contracts.	- Group continues to monitor changes in the regulatory environment in which it operates. - Statutory declaration is made to Board each quarter. - Compliance audits are included in the scope of the internal audit programme. - Engage professional consultants to review contracts.
2.8. Internal Operational Processes		
	Risk Rating	**Medium**
Threat of financial loss due to breakdown in internal controls.	- Internal process failures. - Fraud. - Loss of data.	- Outsource internal audits to reputed Audit Firms to review and report on the adequacy of the financial and operational controls. - Defined systems and procedures are in place to ensure compliance with internal controls. - Adequate fidelity covers are obtained.
3. FINANCIAL RISKS		
3.1. Credit Risk		
	Risk Rating	**Low**
Threat arising due to default of payment.	- Reduce profitability. - Increase working capital.	- Credit is provided only for credit approved agents. Credit approval is granted by the Credit Committee at "Jetwing House" and credit approved list has been prepared. - Actively monitor and review debtors.
3.2. Exchange Rate Risk		
	Risk Rating	**High**
Threat arising due to the volatility in foreign currency exchange rates.	- Impact on profitability on translation of foreign currency transactions.	- As far as possible, enter into sales contracts with tour operators/agents in USD. - Monitor the exchange rates on a daily basis.
3.3. Interest Rate Risk		
	Risk Rating	**High**
Threat arising from the volatility of fair value or future cash flows of a financial instrument fluctuating because of changes in market interest rates.	- Reduced profitability. - Reduced cash flows.	- Negotiate favourable terms and conditions with banks for loan facilities obtained.

Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
3.4. Liquidity Risk		
	Risk Rating	**High**
Risk that the Group will not be able to meet its financial obligations as they fall due.	- Reduced cash flows. - Reduced profitability.	- Preparation of regular cashflow forecasts in line with projected occupancy fluctuations in order to assess the liquidity position of the group in the short term. - Monitor and review bank balances regularly. - Preparation and review of actual performance against the budget monthly. - Reschedule the capital repayments in order to suit the forecasted Cash flows.
3.5. Inflation Risk		
	Risk Rating	**High**
Risk that the future value of Group investment, asset, or profitability will be reduced by high level of inflation.	- Reduced profitability. - Reduced return on investment.	- Preparation of forecasts in line with projected occupancy and cost. - Initiated cost control activities. - Review of pricing and make necessary adjustments.

Precautionary Approach

The Lighthouse Hotel PLC applies a precautionary principle across all its businesses and we advocate a risk-based approach to our operations through our management systems.



For moments like this, made for tropical living by the beach

Corporate Governance

The Lighthouse Hotel PLC (the 'Company') continues to be committed to conducting the Company's business ethically and in accordance with high standards of good corporate governance.

The Board of Directors (the 'Board') has appointed Jetwing Hotels Ltd., as the managing agents of the Company.

We set out below the corporate governance practices adopted and practiced by the Company and compliance with the Listing Rules of the Colombo Stock Exchange.

Board of Directors

Executive Directors

Mr. R.A.E. Samarasinghe (Managing Director),
(Resigned w.e.f. 23rd May 2025)

Mr. C.S.R.S. Anthony,

Mr. N.J.D.M Cooray. (Appointed w.e.f. 23rd May 2025)

Non-Executive Non-Independent Directors

Mr. N.J.H.M. Cooray (Chairman),

Ms. N.T.M.S. Cooray,

Mr. N. Wadugodapitiya,

Ms. A.M. Ondaatjie,

Dr. C. Pathiraja. (Resigned w.e.f. 25th May 2026)

Non-Executive Independent Directors

Mr. M.P.D Cooray

Mr. H. A. Cabraal

Ms. M.P. Abeyesekera

The Board meets quarterly as a matter of routine. Ad hoc meetings are held as and when necessary. During the year under review, the Board met on five occasions. The attendance at these meetings was:

Name of the Director		Attendance
Mr. N.J.H.M. Cooray (Chairman)	Non-Executive Non- Independent	5/5
Mr. R.A.E. Samarasinghe (Managing Director) (Resigned w.e.f 23rd May 2025)	Executive	1/2
Ms. N.T.M.S. Cooray	Non-Executive Non- Independent	3/5
Mr. C.S.R.S. Anthony	Executive	5/5
Ms. A.M. Ondaatjie	Non-Executive Non- Independent	5/5
Mr. N. Wadugodapitiya	Non-Executive Non- Independent	4/5
Dr. C. Pathiraja (Resigned w.e.f 25th May 2026)	Non-Executive Non- Independent	4/5
Mr. N.J.D.M Cooray (Appointed w.e.f. 23rd May 2025)	Executive	4/4
Mr. M.P.D Cooray	Non-Executive Independent	5/5
Mr. H. A. Cabraal	Non-Executive Independent	5/5
Ms. M.P. Abeyesekera	Non-Executive Independent	5/5

Responsibilities

The Directors of the Company are responsible for formulation of Company policy and overall business strategy. The implementation of policy and strategy is done in a framework that requires compliance with applicable laws and regulations as well as establishing best practices in dealing with employees, customers, suppliers and the community at large.

Corporate Governance Contd.

The annual capital expenditure budgets, non-budgeted capital expenditure and the annual budgeted operating statements require Board approval. The Board meets regularly to review performance and forecasts against budgets so as to take decisions in the best interest of the Company. The managing agents are represented at these meetings and are responsible for follow-up action. Directors' interests in contracts are regularly disclosed and such disclosures pertaining to year ended 31st March, 2026 can be seen on page 61 in the Directors' Report.

The Board is responsible to ensure that adequate systems of internal controls to safeguard the assets of the Company are in place and proper records are maintained. However, any system can ensure only reasonable but not absolute assurance that errors and irregularities are prevented or detected within a reasonable time frame.

Chairman's Role

The Chairman is responsible for the efficient conduct of Board meetings. The Chairman maintains close contact with all Directors and holds informal meetings with Non-Executive Directors as and when necessary.

Board Balance

The composition of the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The Board has determined that three Non-Executive Independent Directors satisfy the criteria for 'independence' set out in the Listing Rules of the Colombo Stock Exchange.

Non-Executive Directors' profiles reflect their calibre and the weight their views carry in Board deliberations.

All of the Directors of the Company satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules.

Corporate Governance Contd.

Name of Director	Nature of Directorship	Board seats held in other Listed Sri Lankan Companies			Board seats held in other Unlisted Sri Lankan Companies
		Executive capacity	Non-Executive Capacity	Key Management Personnel	
N.J.H.M. Cooray (Chairman)	Non-Executive Non-Independent	Nil	Jetwing Symphony PLC	Nil	Director of several other companies*
R.A.E. Samarasinghe (Managing Director) (Resigned w.e.f. 23rd May 2025)	Executive	Nil	Nil	Nil	Director of several other companies*
N.T.M.S. Cooray	Non-Executive Non-Independent	Nil	Jetwing Symphony PLC, Ceylon Tea Brokers PLC, Capital Alliance Holdings PLC.	Nil	Director of several other companies*
C.S.R.S. Anthony	Executive	Nil	Capital Alliance PLC, Capital Alliance Holdings PLC	Nil	Director of several other companies*
N.J.D.M Cooray (Appointed w.e.f. 23rd May 2025)	Executive	Nil	Nil	Nil	Director of several other companies*
A.M. Ondaatjie	Non-Executive Non-Independent	Mercantile Investments and Finance PLC.	The Nuwara Eliya Hotels Co. PLC, Royal Palms Beach Hotels PLC, Tangerine Beach Hotels PLC.	Nil	Director of several other companies*
N. Wadugodapitiya	Non-Executive Non-Independent	Nil	Jetwing Symphony PLC	Nil	Nil
Dr. C. Pathiraja (Re-signed w.e.f 25th May 2026)	Non-Executive Non-Independent	Nil	Ni	Nil	Nil
M.P.D Cooray	Non-Executive Independent	Nil	United Motors PLC, Jetwing Symphony PLC, Hatton National Bank PLC, JAT Holdings PLC & HVA Foods PLC	Nil	Director of several other companies*
H. A. Cabraal	Non-Executive Independent	Nil	Sampath Bank PLC, Jetwing Symphony PLC	Nil	Affno Virtual Market Private Limited
M.P. Abeyesekera	Non-Executive Independent	Nil	Janashakthi Finance PLC	Nil	HNB Stockbrokers (Pvt) Ltd, Metropolitan Holdings (Pvt) Ltd

*Please refer pages 35,36,131 & 132

Corporate Governance Contd.

Board Seats Held in Other Unlisted Sri Lankan Companies

N.J.H.M. Cooray

Blue Oceanic Beach Hotel (Pvt) Ltd, Negombo Hotels Ltd, Jet Travels (Pvt) Ltd, Seashells Hotel (Pvt) Ltd, Yala Safari Beach Hotel (Pvt) Ltd, Jetwing Hotels Ltd, St Andrews Hotels (Pvt) Ltd, Jetwing Travels (Pvt) Ltd, Jetwing Hotels Management Services (Pvt) Ltd, Jetwing Real Estate (Pvt) Ltd, The Southern Village Hotel (Pvt) Ltd, The Royal Heritage Hotel (Pvt) Ltd, Jetwing Air (Pvt) Ltd, N J Cooray (Builders) (Pvt) Ltd, Jetwing Ayurveda (Pvt) Ltd, Jetwing Eco Holidays (Pvt) Ltd, Lanka Dhiviya (Pvt) Ltd, Jetwing City (Pvt) Ltd, The First Resort (Pvt) Ltd, Uppuveli Beach (Pvt) Ltd, Cultural Heritage (Pvt) Ltd, Yala Properties (Pvt) Ltd, Sea Shore Explorers (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Yarl Hotels (Pvt) Ltd, Rangala Hotels (Pvt) Ltd, Lanka Houseboat (Pvt) Ltd, Negombo Properties (Pvt) Ltd, Jetwing Zinc Journeys Lanka (Pvt) Ltd, The Riverbank (Pvt) Ltd, Jetwing Adventures (Pvt) Ltd, Villa Properties (Pvt) Ltd, Negombo Landmark (Pvt) Ltd, Jetwash Pvt Ltd, Thalahena Villas (Pvt) Ltd, Ahangama Properties (Pvt) Ltd, Rangirigama Hotels (Pvt) Ltd, Sky C-23 (Pvt) Ltd, Jetwing Kaduruketha (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, Total Holiday Options (Pvt) Ltd, Villa Properties (Pvt) Ltd, Unawatuna properties (Pvt) Ltd, Thalahena Beach Houses (Pvt) Ltd, Pottuvil Point (Pvt) Ltd, Uppuveli Villas (Pvt) Ltd, Jetwing Journeys (Pvt) Ltd, Jetwing Events (Pvt) Ltd, Jetwing Blue (Pvt) Ltd, S B Restaurant (Pvt) Ltd, Jetwing Relief Fund (Guarantee) Ltd, Saman Villa Ltd, Warwick Water (Pvt) Ltd, Sigiriyaaya (Pvt) Ltd, The First Spa (Pvt) Ltd, Dream Beach Resort (Pvt) Ltd, Yarl Hotel Services (Pvt) Ltd, Kosgoda Villas (Pvt) Ltd, Rainforest Eco Lodge (Pvt) Ltd, Sky 30 Restaurant (Pvt) Ltd and Shanthi Travels (Pvt) Ltd.

R.A.E. Samarasinghe

Blue Oceanic Beach Hotel (Pvt) Ltd, Negombo Hotels Ltd, Jet Travels (Pvt) Ltd, Seashells Hotel (Pvt) Ltd, Yala Safari Beach Hotel (Pvt) Ltd, Jetwing Hotels Ltd, St Andrews Hotels (Pvt) Ltd, Jetwing Travels (Pvt) Ltd, The Southern Village Hotel (Pvt) Ltd, The Royal Heritage Hotel (Pvt) Ltd, Jetwing Ayurveda (Pvt) Ltd, Jetwing Eco Holidays (Pvt) Ltd, Jetwing City (Pvt) Ltd, The First Resort (Pvt) Ltd, Uppuveli Beach (Pvt) Ltd, Cultural Heritage (Pvt) Ltd, Yala Properties (Pvt) Ltd, Sea Shore Explorers (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Yarl Hotels (Pvt) Ltd, Rangala Hotels (Pvt) Ltd, Lanka Houseboat (Pvt) Ltd, Negombo Properties (Pvt) Ltd, Jetwing Zinc Journeys Lanka (Pvt) Ltd, The Riverbank (Pvt) Ltd, Villa Properties (Pvt) Ltd, Negombo Landmark (Pvt) Ltd, Jetwash (Pvt) Ltd, Thalahena Villas (Pvt) Ltd, Ahangama Properties (Pvt) Ltd, Rangirigama Hotels (Pvt) Ltd, Jetwing Kaduruketha (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, Total Holiday Options (Pvt) Ltd, Villa Properties (Pvt) Ltd, Unawatuna properties (Pvt) Ltd, Thalahena Beach Houses (Pvt) Ltd, Pottuvil Point (Pvt) Ltd, Uppuveli Villas (Pvt) Ltd, S B Restaurant (Pvt) Ltd, Sigiriyaaya (Pvt) Ltd, The First Spa (Pvt) Ltd, Dream Beach Resort (Pvt) Ltd, Yarl Hotel Services (Pvt) Ltd & Sky 30 Restaurant (Pvt) Ltd.

N.T.M.S. Cooray

Negombo Hotels Ltd, Jetwing Hotels Ltd, Jetwing Travels (Pvt) Ltd, Jetwing Hotels Management Services (Pvt) Ltd, Jetwing Air (Pvt) Ltd, Yarl Hotels (Pvt) Ltd, Lanka Houseboat (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Go Vacation Lanka Co. (Pvt) Ltd, Alliaanz Insurance Lanka Ltd, Allianz Life Insurance Lanka Ltd and Saman Villas Ltd.

C.S.R.S. Anthony

Negombo Landmark (Pvt) Ltd, The First Resort (Pvt) Ltd, Jetwing Eco Holidays (Pvt) Ltd, Jetwing Relief Fund (Guarantee) Ltd, Ranagala Hotels (Pvt) Ltd, Thalahena Villas (Pvt) Ltd, Jetwing Zinc Journeys Lanka (Pvt) Ltd, Jetwing Kaduruketha (Pvt) Ltd, Jet Enterprises (Pvt) Ltd and Jetwing Academy (Pvt) Ltd. Cultural Heritage (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, Pottuvil Point (Pvt) Ltd, The Riverbank (Pvt) Ltd, Yala Safari Beach Hotel (Pvt) Ltd, Jetwing City (Pvt) Ltd, Dream Beach Resort (Pvt) Ltd.

Corporate Governance Contd.

N.J.D.M Cooray - (Appointed w.e.f. 23rd May 2025)

Jetwing Hotels Ltd, Lanka Dhiviya (Pvt) Ltd, Four C's (Pvt) Ltd, Five C's (Pvt) Ltd, Galle Heritage Homes (Pvt) Ltd, Negombo Heritage Homes (Pvt) Ltd, Saman Villas Ltd, Kosgoda Villas (Pvt) Ltd, Sky C-23 (Pvt) Ltd, Yarl Hotel Services (Pvt) Ltd, D.H.H. Lanka (Pvt) Ltd, Hotel J City Beds (Pvt) Ltd, Pearl Garden Mills (Pvt) Ltd, Warwick Water (Pvt) Ltd, Bawa at Bauddhaloka (Pvt) Ltd, Ceylon Cinnamon Traders (Pvt) Ltd and Trader J (Pvt) Ltd. Cultural Heritage (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, Pottuvil Point (Pvt) Ltd, The Riverbank (Pvt) Ltd, Yala Safari Beach Hotel (Pvt) Ltd, Jetwing City (Pvt) Ltd, Dream Beach Resort (Pvt) Ltd, Kayts Heritage Homes (Pvt) Ltd, Lanka Matha (Pvt) Ltd, A M J Real Estate (Pvt) Ltd

A.M Ondaatjie

Mercantile Fortunes (Pvt) Limited, Nilaveli Beach Hotels (Pvt) Limited, Tangerine Tours (Pvt) Limited, Security Ceylon (Pvt) Limited, Global Films Limited, International Fortunes (Pvt) Limited, Mercantile Orient (Pvt) Limited, Fair View Hotel (Pvt) Limited, Niaveli Hotels (Pvt) Limited, Mercantile Fortunes Insurance Brokers (Pvt) Ltd, Phoenix Industries Limited, Brushco (Pvt) Ltd, Tangerine Vacations (Pvt) Ltd.

M.P.D Cooray

U M L Property Developments Ltd, U M L Heavy Equipment Ltd, Unimo Enterprises Ltd, Dutch Lanka Trailer Manufacturers Ltd and Dutch Lanka Engineering (Pvt) Ltd, Management Systems (Pvt) Ltd and George Steuart and Company.

Skills and Experience

The Board collectively brings a wealth of diverse experience in management, business administration, banking, finance, travel, tourism and marketing. Each Director possesses the necessary skills, expertise, and knowledge, complemented by a high sense of integrity and independent judgment. Further details about their qualifications and experience can be found in the Board Profiles section of the Annual Report and the table below:

Name of Director	Gender	Area of Skills/Expertise/Competencies					
		Corporate Leadership	Finance	Travel and tourism	Banking Personnel	Legal	Risk Managment
N.J.H.M. Cooray (Chairman)	M	✓		✓			
R.A.E. Samarasinghe	M	✓		✓			
N.T.M.S. Cooray	F	✓	✓	✓	✓		✓
C.S.R.S. Anthony	M	✓	✓	✓		✓	
A.M. Ondaatjie	F	✓		✓			
N. Wadugodapitiya	M	✓	✓				✓
Dr. C. Pathiraja	M	✓					
N.J.D.M Cooray	M	✓					
M.P.D Cooray	M	✓	✓		✓		✓
H. A. Cabraal	M	✓	✓	✓	✓		✓
M.P. Abeyesekera	F	✓	✓		✓		✓

Corporate Governance Contd.

Company Secretary

The services and advice of the Company Secretary are made available to Directors as necessary. The Company Secretary keeps the Board informed of new laws, regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.

Financial Acumen

The Board, includes three Chartered Accountants and two Chartered Management Accountants who possess the necessary knowledge and competence to offer the Board guidance on matters of finance.

Supply of Information

Directors are provided with quarterly reports on performance and such other reports and documents as necessary. The Chairman ensures all Directors are adequately briefed on issues arising at meetings.

Appointments to the Board

The Board as a whole decides on the appointment of Directors, in terms of the Articles of Association of the Company. All appointments to the Board are based on recommendations made by the Nominations and Governance Committee pursuant to their evaluation of the person to be appointed as Director.

Re-election of Directors

The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek reappointment by the shareholders at that meeting.

The Articles require one-third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/reappointment. Retiring Directors are generally eligible for re-election.

The Managing Director does not retire by rotation.

Remuneration Committee

The Company has its own Remuneration Committee. The Committee consists of three Independent Non-Executive Directors. The Remuneration Committee Report appears on page 55 in this Report.

Nominations and Governance Committee

The Company has its own Nominations and Governance Committee. The Committee consists of two Independent Non-Executive Directors and one Non-Executive Director.

The Nominations and Governance Committee Report appears on page 59 in this Report.

Constructive Use of the Annual General Meeting

The active participation of shareholders at the Annual General Meeting (AGM) is encouraged. The Board believes, the AGM is a means of continuing effective dialogue with shareholders.

The Board offers clarifications and responds to concerns shareholders have over the content of the Annual Report as well as other matters which are important to them. The AGM is also used to adopt the Financial Statements for the year.

Communication with Shareholders

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders. These reports are also provided to the Colombo Stock Exchange. The Policy on Relations with Shareholders and Investors adopted by the Company sets out the modality for effective communication and relations with shareholders and investors. This Policy also includes a process to make all Directors aware of major issues and concerns of shareholders. In terms thereof, the shareholders may contact the investor relations team or the designated officers of the Company to raise their concerns.

Shareholders may also bring up concerns they have, either with the Chairman, the Managing Director or the Secretaries of the Company as appropriate. The Company maintains an appropriate dialogue with them.

Accountability and Audit

Financial Reporting

The Board places great emphasis on complete disclosure of financial and non-financial information within the bounds of commercial reality and on the adoption of sound reporting practices. Financial information is disclosed in accordance with the Sri Lanka Accounting Standards comprising SLFRSs and LKASs. Revisions to existing accounting standards and adoption of new standards are carefully monitored.

The Statement of Directors' Responsibilities for the Financial Statements is given in page 66 of this Report.

Corporate Governance Contd.

Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2026, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company's budget for the ensuing year, ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiary have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

Audit Committee

The Company constituted its own Audit Committee on 12th February, 2008. The Committee consists of two Independent Non-Executive Directors and one Non-Executive Director. The meetings of the Audit Committee were attended by the Chairman, Managing Director, Executive Director, General Manager and the Chief Financial Officer by invitation when matters relating to the Company were taken up for discussion. The External Auditor/Internal Auditor attended the meetings when his presence was deemed necessary.

The Audit Committee has written terms of reference and is empowered to examine any matters relating to the financial affairs of the Company and its internal and external audits.
The Committee reviewed the Financial Statements, internal control procedures and risk management, accounting policies, compliance with accounting standards, emerging accounting issues and other related functions that the Board required. It also reviews the adequacy of systems for compliance with the relevant legal, regulatory and ethical requirements. Significant issues discussed by the Committee at the reviews were communicated by the Managing Director to the Board of Directors for their consideration and action.

The Committee also helps the Company to achieve a balance between conformance and performance.

Further, the Committee recommends the appointment and fees of the External Auditors, having considered their independence and performance.

The Audit Committee Report appears on page 56 of this Report.

Related Party Transactions Review Committee

The Company has its own Related Party Transactions Review Committee. The Committee consists of two Independent Non-Executive Directors and one Non-Executive Director. The committee reviews the related party transactions during the year under review.

The Related Party Transactions Review Committee Report appears on page 58 in this Report.

Policies

The Company has adopted and has in place, in terms of Rule 9.2.1 of the Listing Rules:

(a) Policy on the matters relating to the Board of Directors
(b) Policy on Board Committees
(c) Policy on Corporate Governance, Nominations and Re-election
(d) Policy on Remuneration
(e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
(f) Policy on Risk management and Internal controls
(g) Policy on Relations with Shareholders and Investors
(h) Policy on Environmental, Social and Governance Sustainability
(i) Policy on Control and Management of Company Assets and Shareholder Investments
(j) Policy on Corporate Disclosures
(k) Policy on Whistleblowing
(l) Policy on Anti-Bribery and Corruption

The Company has complied with all requirements in the Listing Rules with regard to the above policies including the Policy on the matters relating to the Board of Directors.

Corporate Governance Contd.

Level of Compliance with the Listing Rules of the Colombo Stock Exchange

a. Level of compliance with the Listing Rules of the CSE Section 7, are given in the following table:

Rule	Disclosure Requirement	Complied	Reference
7.6 (i)	Names of persons who, during the financial year, were Directors of the Entity.	Complied	Please refer page 62
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Complied	Please refer page 61
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non voting shares denominated in LKR or any other class of shares denominated in foreign currency, and the percentage of such shares held.	Complied	Please refer page 133
7.6 (iv) (a)	The float-adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the listed entity complies with the Minimum Public Holding requirement a) The public holding percentage in respect of non-voting Shares (where applicable) b) The public holding percentage in respect of Foreign Currency-denominated Shares.	Complied	Please refer page 134
7.6 (v)	A statement of each Director's holding in each class of shares of the entity, denominated in LKR and in foreign currency (as applicable).	Complied	Please refer page 62
7.6 (vi)	Information pertaining to material foreseeable risk factors of the entity.	Complied	Please refer page 23
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the entity.	Complied	Please refer page 19
7.6 (viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties.	Complied	Please refer page 139
7.6 (ix)	Number of shares representing the entity's stated capital.	Complied	Please refer page 134
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings.	Complied	Please refer page 133
7.6 (xi)	Financial ratios and market price information.	Complied	Please refer pages 134 & 137
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Complied	Please refer page 64
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement: a. a statement as to the manner in which the proceeds of such issue have been utilised b. if any shares or debentures have been issued, the number, class and consideration received and the reason for the issue; and c. any material change in the use of funds raised through an issue of Securities.	N/A	N/A
7.6 (xiv) (a) & (b)	Information in respect of Employee Share Ownership or Stock Option Schemes.	N/A	N/A
7.6 (xvi)	Disclosures pertaining to Corporate Governance practices in terms of Rule 9 of the Listing Rules Related Party Transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the entity as per audited financial statements, whichever is lower.	N/A	N/A
7.6 (xviii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE.	N/A	N/A

Corporate Governance Contd.

b. Level of compliance with the Listing Rules of the CSE Section 9, on Corporate Governance are given in the following table:

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.1	**Corporate Governance Rules**		
9.1.1 9.1.2 9.1.3	Extent of Compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 9 of the listing rules issued by CSE is tabulated below.	Complied
9.2	**Policies**		
9.2.1	Availability of Policies	The policies which are mandated by the revised CSE Listing Rules are currently in place. Please refer page 38.	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	Complied
9.2.3	Disclosures in the Annual Report	Please refer page 38.	Complied
9.2.4	Requesting Company Policies by Shareholders	A copy of the above policies will be made available to the shareholders upon a written request being made to the Company Secretary.	Complied

Corporate Governance Contd.

	Requirement	Extent of Compliance	Status of Compliance
9.3	**Board Committees**		
9.3.1	Establishment of Board Committees	The Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of all Committees are in line with the revised CSE listing rules. Each Sub Committee is governed by its own Terms of Reference and has a secretary who arranges the meetings, maintains minutes and records under the supervision of the Chairman of the respective Sub Committee. The Chairman of the respective Sub Committee is accountable for the effective functioning of the Committee and reports on a periodic basis to the Board on the activities of the Sub Committee, highlighting matters for the attention of the Board. The Committee Terms of Reference are reviewed regularly.	Complied
9.3.3	Chairperson of Board Committees	The Chairman of the Board of Directors was not the Chairman of Nominations & Governance Committee, Remuneration Committee, Audit Committee or the Related Party Transactions Review Committee during the year.	Complied
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Record Maintenance	The Company Secretary maintains records of all resolutions and information (Appointment of proxy, number of votes in favour & against and number of shares in respect of vote was directed to be abstained) of General Meetings.	Complied
9.4.2	Communication and relation with Shareholders and Investors	The Company has an established policy on communication. Further, the Company has adopted a new policy named Policy on Relations with Shareholders and Investors incorporating the provisions of the revised CSE Listing Rules for effective communication and relations with shareholders and investors.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company has adopted a new Policy on matters relating to the Board of Directors.	Complied
9.5.2	Disclosures in the Annual Report	Please refer page 38.	Complied
9.6	**Chairperson and CEO**		
9.6.1	Chairperson and CEO	Chairperson and CEO roles are not combined.	Complied
9.6.2	Disclosure of Non - Compliances	Not applicable	Not applicable
9.6.3	Appointment of Senior Independent Director	Not applicable	Not applicable
9.6.4	Disclosure of Non - Compliances in the Annual Report	Not applicable	Not applicable
9.7	**Fitness of Directors and CEOs**		
9.7.1 9.7.2	Appointment of Fit and Proper Persons	The Board has a formal and transparent process in place for the succession and appointment of Directors. The Nominations & Governance Committee processes and short-lists candidates and makes recommendations to the Board for approval. The attributes and experience required from potential appointees are identified and agreed prior to the search process, considering the combined knowledge, experience and diversity of the Board, in relation to the Company's strategic plans and any gaps thereof. The criteria stated in the revised CSE listing rules were also taken into account when appointing new directors as well as for the annual assessment of fit and propriety of Directors.	Complied
9.7.3	Fit and Proper Assessment Criteria; a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness	The assessment criteria detailed in the revised CSE listing rules have been incorporated into the annual declaration of the Directors.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.7.4	Annual Declarations from Directors and CEO	Annual declarations from Directors confirming that each of them have continuously satisfied the fit and proper assessment criteria set out in the CSE revised listing rules were obtained.	Complied
9.7.5	Disclosures in the Annual Report	Please refer page 33.	Complied
9.8	**Board Composition**		
9.8.1	Board at Minimum to consist of Five (5) Directors	The Board of Directors of the Company consisted of Ten (10) Directors.	Complied
9.8.2	Minimum number of Independent Directors (Min:2 or 1/3 of total number, whichever is higher)	The Board of Directors of the Company consists of three (3) Independent Directors.	Complied
9.8.3 9.8.4	Criteria for determining Independence	The Company is complied with the criteria for determining independence of a Director. Please refer page 33.	Complied
9.8.5	Declarations	Annual Declaration was obtained from the Board of Directors incorporating the provisions made under the revised CSE listing rules.	Complied
9.9	**Alternate Directors**		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors. Articles of Association includes provisions to comply with the revised CSE listing rules.	Complied
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on the maximum number of Directorships	In terms of the policy limits directors cannot hold directorships in more than 20 listed entities.	Complied
9.10.2	Appointment of new Director	Nominations & Governance Committee reviews all new appointments.	Complied
9.10.3	Changes to the Composition	After the effective date of the revised CSE listing rules, changes in the composition of the Board Committees had been taken place and immediate market announcements have been made on such changes .	Complied
9.10.4	Disclosures in the Annual Report	Please refer pages 50 to 52 for profiles of Directors. Please refer pages 34 to 36 for Directorships in other companies.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.11 Nominations and Governance Committee			
9.11.1	Availability of Nominations and Governance Committee	The company has formed a Nominations & Governance Committee.	Complied
9.11.2	Appointment and re-election of Directors	The Committee follows a formal procedure in appointment and re-election of Directors.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied
9.11.4 (1)	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	The Committee consists of two Independent Directors and one Non-Executive Director.	Complied
9.11.4 (2)	Composition - Independent Director shall be appointed as the Chairperson of the Committee	An Independent Director functioned as the Chairman of the Committee throughout the year.	Complied
9.11.4 (3)	Composition - The Chairperson and the members of the Committee shall be identified in the Annual Report	The Chairman and the members of the Committee are identified in the Nominations & Governance Committee report given on page 59.	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Nominations & Governance Committee Report on pag 59.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Nominations & Governance Committee Report given on page 59.	Complied
9.12 Remuneration Committee			
9.12.1	Definition of Remuneration	Please refer Remuneration Committee report on page 55.	Complied
9.12.2	Remuneration Committee	A Remuneration Committee was in place.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non-Executive Directors	Please refer Remuneration Committee report on page 55.	Complied
9.12.5	Terms of Reference	Please refer Remuneration Committee report on page 55.	Complied
9.12.6 (1) & (2)	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Remuneration Committee consists of three Independent Directors.	Complied
9.12.6 (3)	Composition - Independent Director shall be appointed as the Chairperson of the Committee	An Independent Director functioned as the Chairman of the Committee throughout the year.	Complied
9.12.7	Functions	All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 55.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 55.	Complied
9.13 Audit Committee			
9.13.1	Audit Committee	The Company has established an Audit Committee.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties. Audit Committee terms of reference was reviewed in 2024/25.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.13.3 (1) & (4)	Composition - A Minimum of three (3) Directors, out of which a minimum of two (2), or a majority of the members, whichever higher, shall be Independent Directors	Audit Committee consists of two Independent Directors and one Non-Executive Director.	Complied
9.13.3 (2)	Composition - The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors	The terms of reference of the Audit Committee states that the quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Complied
9.13.3 (3)	Composition - The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market	The Committee met Five (5) times during the year. The Committee reviewed the quarterly and annual financial statements and recommended same to the Board of Directors prior to publication.	Complied
9.13.3 (5)	Composition - Independent Director shall be appointed as the Chairperson of the Committee	An Independent Director functioned as the Chairman of the Committee throughout the year.	Complied
9.13.3 (6)	Composition - The CEO and the CFO shall attend the Audit Committee meetings by invitation	MD, Executive Director, Chief Financial Officer, and a representative of the External Auditor are typically invited to attend meetings. Other Board members may also attend meetings upon invitation.	Complied
9.13.3 (7)	Composition - The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	The Chairman of the Audit Committee, Mr. Devaka Cooray is an Independent Non-Executive Director, a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of United Kingdom.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.13.4	Functions	The Company has documented the functions of the Committee in the Audit Committee terms of reference. Functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 56.	Complied
9.13.5	Disclosures in the Annual Report	Disclosure requirements are covered in the Audit Committee Report given on page 56.	Complied
9.14 Related Party Transactions Review Committee			
9.14.1	Availability of Related Party Transactions Review Committee	A Related Party Transactions Review Committee is in place.	Complied
9.14.2	Composition - A minimum of three (3) Directors, out of which two (2) members shall be Independent Directors. Committee may also include Executive Directors. An Independent Director shall be appointed as the Chairperson of the Committee	Related Party Transactions Review Committee consists of two Independent Directors and one Non-Executive Director. An Independent Director functioned as the Chairman of the Committee throughout the year.	Complied
9.14.3	Functions	The Related Party Transactions Review Committee is responsible for reviewing the Related Party Transactions, to ensure the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. Please refer Related Party Transactions Review Committee Report on page 58.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.14.4 (1)	General requirements - The Committee shall meet at least once a calendar quarter	The Committee met four (4) times during year. The minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	Complied
9.14.4 (2)	General requirements - The Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions	The Committee has adequate knowledge and expertise to assess all aspects of Related Party Transactions.	Complied
9.14.4 (3)	General requirements - Approval by Board of Directors	Where necessary, the Committee shall recommend and request the Board of Directors to approve the Related Party Transactions which have been reviewed by the Committee.	Complied
9.14.4 (4)	General requirements - Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the Conflict of Interest. Steps have been taken by the Board to avoid any conflict of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter on quarterly basis. Directors do not participate in, and excuse themselves from the Meeting, when the Board considers any matters in which transactions with related entities are discussed and where a conflict of interest may arise.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied

Corporate Governance Contd.

Code Ref.	Requirement	Extent of Compliance	Status of Compliance
9.14.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 58.	Complied
9.14.9	Acquisition and Disposal of assets from/to related parties	The Company has not acquired/disposed substantial assets from/to related parties.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.15 Additional Disclosures			
9.15	(i) Declaration of all material interest	Disclosure requirements are covered on page 66.	Complied
	(ii) Review of internal controls and compliance controls	Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	
	(iii) Compliance with laws, rules and regulations		
	(iv) Material Non-Compliances		

Board of Directors

N.J.H.M. Cooray
(Chairman)
Non-Executive Director

Hiran joined his father, the founder of Jetwing, late Herbert Cooray, in the late 1980s. He learnt to love nature, work with local communities and to explore areas where others wouldn't from his father; today, this is called sustainable tourism. He has seen the Jetwing brand being recognized as Sri Lanka's most responsible hospitality entity.

His efforts were acknowledged internationally with him being the first Sri Lankan to be appointed Chairman of the Pacific Asia Travel Association (PATA) based in Bangkok. He also served on the Board of Small Luxury Hotels of the World from 2007-2014 and the UNWTO Tourism Ethics Committee as an alternate member from 2013-2021.

In Sri Lanka, he was elected President of the Tourist Hotels Association (THASL) from 2005-2008 and from 2014-2016. He also served as a Board member of the Sri Lanka Tourism Development Authority (SLTDA) and the Sri Lanka Tourism Promotions Bureau (SLTPB). His passion for sustainable tourism makes him a sought after speaker within his motherland and around the world.

N.T.M.S. Cooray (Ms)

Non-Executive Director

Shiromal Cooray is the Chairman and Managing Director of Jetwing Travels (Private) Limited, one of the leading destination management companies in Sri Lanka. With diverse experience in a number of industries, Shiromal also holds other directorates in hotels, finance, investment banking, Commodity brokering, Commercial banking and Insurance.

Hailing from a background in finance and management, Shiromal holds an MBA from the University of Colombo, is a Fellow of the Chartered Institute of Management Accountants UK, and a former Finance Director of J. Walter Thompson Ltd (Colombo) along with work experience in the UK and Hong Kong. She is past Chairman of the Sri Lanka Institute of Directors (SLID), and past President of the Sri Lanka Association of Inbound Tour Operators.

C.S.R.S. Anthony
Executive Director

Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of the Democratic Socialist Republic of Sri Lanka, Notary Public of Colombo, Commissioner for Oaths and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). A Life Member of the Bar Association of Sri Lanka ("BASL").

N. Wadugodapitiya
Non-Executive Director

Nihal Wadugodapitiya is a Fellow member of the Chartered Institute of Management Accountants, UK. His business experience spans over 40 years in senior management positions both in private and public sector institutions in Sri Lanka and in Abu Dhabi, UAE, of which 20 + years has been in the position of Chief Executive of private companies. He has served in organizations involved in manufacturing, light engineering, FMCG marketing and distribution, private equity fund management, air lines and services sectors. He has served on several boards of Directors including companies engaged in financial services, venture capital / private equity fund management, fabric manufacturing, thermal power generation, plantation management, marketing and distribution and flexible packaging and light engineering.

DR.C. Pathiraja

Non-Executive Director - (Resigned w.e.f. 25th May 2026)

Dr. C. Pathiraja Director of Stem Cure – Ferticare (Pvt) Ltd., Director of Straits Associates Singapore PTE Ltd and several other companies both local and abroad. Ex Director/Embryologist – ICSI Lanka Hospital. He holds BV (Sc) Degrees from the University of Peradeniya, Sri Lanka, Diploma in Business Studies and a Post Graduate Diploma in Business Management. A Council Member at University of the Visual and Performing Arts – Colombo.

Board of Directors Contd.

H.A. Cabraal
Non-Executive Independent Director

Hiran Cabraal is a seasoned banking and financial services professional with over 35 years of international experience across the Asia-Pacific region.

Throughout his career, he has held several senior leadership roles within the HSBC Group, overseeing businesses in Investment Banking and Markets, compliance, risk management, and strategic transformation. He also served as a Director and Subject Matter Expert in compliance and governance at PwC Consulting in Vietnam.

He currently serves as a Non-Executive Independent Director of Sampath Bank PLC, where he chairs the Board Treasury Committee and previously chaired the Integrated Risk Management Committee. He is also a Non-Executive Independent Director of The Lighthouse Hotel PLC, where he chairs the Remuneration Committee, the Nominations and Governance Committee, and the Related Party Transactions Review Committee. In addition, he is the Chairman of Affno Virtual Market (Private) Limited, a technology company providing cloud-based digital procurement solutions across Asia and the Middle East.

At Jetwing Symphony PLC, Hiran serves as Chairman of the Remuneration Committee, the Nominations and Governance Committee, and the Related Party Transactions Review Committee, and is also a member of the Audit Committee. He brings extensive expertise in governance, risk management, treasury, regulatory oversight, and strategic leadership to the Board.

Hiran holds a Bachelor of Science in Agricultural and Resource Economics from the University of Maryland, College Park, USA.

M.P.D. Cooray
Non-Executive Independent Director

Devaka Cooray is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of the United Kingdom.
Devaka is the Chairman of United Motors PLC, U M L Property Developments Ltd, U M L Heavy Equipment Ltd, Unimo Enterprises Ltd, Dutch Lanka Trailer Manufacturers Ltd and Dutch Lanka Engineering (Pvt) Ltd. He is also the Managing Director of Management Systems (Pvt) Ltd. He serves as Senior Independent Director of Hatton National Bank PLC, Independent Director of JAT Holdings PLC, HVA Foods PLC, Jetwing Symphony PLC, The Lighthouse Hotel PLC, Secretarial Services (Pvt) Ltd, The Children Heart Project of Sri Lanka and George Steuart and Company.
He has worked with Ernst & Young for over 40 years of which 30 years was as a Senior Assurance and Talent Partner. He functioned as the Deputy Managing Partner from 2016 to 2019 and served as a member of Ernst & Young's Management Committee from the time the Management Committee was established in 1998 until his retirement in 2019. He was instrumental in establishing the Ernst & Young Practice in the Republic of Maldives in 1995 and functioned as the Partner responsible for the overall management of the Maldivian Practice from its inception.

He represented Sri Lanka and Maldives for a number of years in the EY ASEAN Regional Partner Forum. He was seconded to EY USA for a year, where practical experience was gained by being part of assurance teams that performed audit engagements on several large enterprises.
Devaka also spearheaded the Ernst and Young Sri Lanka/ Maldives Family Business Centre for Excellence which was instrumental in sending several eminent second-generation family members to business schools worldwide. He has also served as a member of the Council of the Chartered Institute of Management Accountants UK.

M.P. Abeyesekera (Ms.)
Non- Executive Independent Director

Manohari Abeyesekera, an Alumna of KPMG, is a Fellow Member of Institute of Chartered Accountants of Sri Lanka and a Fellow Member of Chartered Institute of Management Accountants (CIMA-UK). She has over 25 years post qualifying experience serving in leadership C suite Executive positions in both private and public sector in Sri Lanka. Manohari read for the MBA from University of Colombo topping the batch. Her first degree is a B.Sc. in Biological Sciences (First Class Honours) from University of Colombo. She read for a Post Graduate Diploma in International Relations conducted by the Bandaranaike International Diplomatic Training Institute. Manohari was selected by the US State Department to represent Sri Lanka in the Fortune Mentoring Program for female leaders.

Manohari is a Council Member of Sri Lanka Institute of Directors (SLID) and has completed the Board Leadership Program conducted by SLID – International Finance Corporation (IFC). She currently serves as an Independent Non-Executive Director of Janashakthi Finance PLC, Metropolitan Holdings (Pvt) Ltd and HNB Stockbrokers (Pvt.) Ltd.

Board of Directors Contd.

A.M. Ondaatjie (Ms)
Non-Executive Director

Angeline Ondaatjie (Ms) is the Chairperson of Tangerine Tours (Pvt) Limited, Tangerine Beach Hotels PLC and Royal Palms Beach Hotels PLC. She has over 20 years experience in tourism, financial services and manufacturing sectors. She holds a Masters Degree from the University of Texas in Austin, USA and a BSc Degree from the Massachusetts Institute of Technology (MIT) USA. She holds directorship in several companies including Mercantile Investments and Finance PLC, The Nuwara Eliya Hotels Co. PLC (Grand Hotel), Nilaveli Beach Hotels (Pvt) Ltd, Fair View Hotel (Pvt) Ltd and Phoenix Industries Ltd. She was former Vice President, Tourist Hotels Association, Safety advisor Princeton in Asia and a former Director, Sri Lanka Tourism Promotions Bureau and serves on the Education Council of MIT. Ms Ondaatjie presently serves on the Boards of the following companies.

Mercantile Investments and Finance PLC, Mercantile Fortunes (Pvt) Ltd, Nilaveli Beach Hotels (Pvt) Ltd, The Nuwara Eliya Hotels Co. PLC, Royal Palms Beach Hotels PLC, Tangerine Beach Hotels PLC, Tangerine Tours (Pvt) Ltd, Security Ceylon (Pvt) Ltd, Global Films Ltd., International Fortunes (Pvt) Ltd, Mercantile Orient (Pvt) Ltd, Fair View Hotel (Pvt) Ltd, Nilaveli Hotels (Pvt) Ltd, Mercantile Fortunes Insurance Brokers (Pvt) Ltd, Phoenix Industries Ltd, Brushco (Pvt) Ltd and Tange1rine Vacations (Pvt) Ltd.

N.J.D.M. Cooray
Executive Director-(Appointed w.e.f. 23rd May 2025)

Dmitri is a dynamic leader representing the third generation of the Cooray family in the hospitality industry. He graduated with a Bachelor of Business in International Hotel & Resort Management from the Blue Mountains International Hotel Management School, Sydney NSW Australia and a Diploma in Hotel Management from SHATEC Institutes, Singapore. He has extensive experience working with leading hotels in Singapore and Australia before joining Jetwing Hotels in 2015. Dmitri has held various roles within the company, including Manager Operations and Deputy Managing Director, contributing significantly to the group's growth and success.

Before becoming Managing Director, Dmitri worked closely with industry veterans Ruan Samarasinghe and Hiran Cooray for nearly a decade. His leadership and vision have been instrumental in navigating Jetwing Hotels through various challenges and opportunities in the hospitality sector.

Dmitri's dedication to the family business and his innovative approach to hospitality management have positioned Jetwing Hotels as a leading brand in Sri Lanka's tourism industry. He remains focused on enhancing guest experiences and expanding the company's footprint both locally and internationally.

R.A.E. Samarasinghe
Executive Director - (Resigned w.e.f. 23rd May 2025)

Ruan Samarasinghe is a renowned figure in the hospitality industry, with a career spanning over 51 years exclusively at Jetwing Hotels. He has played a key role in the company's growth and evolution over the past five decades, initiating several major development projects for Jetwing.

Samarasinghe currently serves as the chairman of Jetwing Hotels and holds positions on various other directorial boards, contributing his expertise and experience to guide different companies in the industry.

In addition to his roles within Jetwing and other organizations, Samarasinghe has also held the position of Chairman of the Pacific Asia Travel Association (PATA) Sri Lanka chapter, further underscoring his influence and impact on the country's travel and tourism industry.

Throughout his career, Ruan Samarasinghe has been known for his innovative approach and commitment to excellence. His contributions have made him a respected and influential figure in the hospitality and tourism industry in Sri Lanka.

For moments like this, where dining is at its finest





For moments like this, where bold flavours come alive right by the sea

Remuneration Committee Report

The objectives of the Remuneration Committee are to review and approve the overall remuneration philosophy, strategy, policies, and practices, including performance pay schemes and benefits. The policy aims to design compensation packages that attract and retain a highly qualified and experienced workforce while rewarding performance, taking into account business performance and long-term shareholder returns. The Committee comprises three Non-Executive Independent Directors, whose names are shown in the table below. The members of the Committee met once during the year under review.

Members of the Remuneration Committee		Attendance at the Meeting
Mr. H.A. Cabraal (Chairman)	Non-Executive Independent	1/1
Ms. M. P. Abeyesekera	Non-Executive Independent	1/1
Mr. M.P.D Cooray	Non-Executive Independent	1/1

The aggregate remuneration paid to Non-Executive Directors is presented on page 117, with the exception of Mr. N.J.H.M Cooray and Ms. N.T.M.S Cooray, who received no remuneration.



Hiran Cabraal
Chairman – Remuneration Committee
03rd June, 2026

Audit Committee Report

The Audit Committee, comprises two Non-Executive Independent Directors and one Non-Executive Non-Independent Director. The Chairman of the Audit Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The Committee meetings were held on a quarterly basis. The Audit Committee met on five occasions during the financial year.

The Committee, as at 31st March 2026, comprised of the following members:

Members of the Audit Committee		Attendance at the Meeting
Mr. M.P.D. Cooray (Chairman)	Non-Executive Independent	5/5
Ms. M.P. Abeyesekera	Non-Executive Independent	5/5
Mr. N. Wadugodapitiya	Non-Executive Non-Independent	5/5

The Chairman, Managing Director, Executive Director, General Manager, Chief Accountant and the Chief Financial Officer attend meetings of the Audit Committee by invitation. The Committee is empowered to examine any matter relating to the financial reporting systems and its internal and external audits. Its duties include detailed reviews of Financial Statements of the Company and its subsidiary, internal control procedures, accounting policies and compliance with accounting standards. It also reviews the adequacy of systems for compliance with the relevant legal, regulatory and ethical requirements and company policies.

The Committee endeavours to assist the Directors to discharge their duties and responsibilities in respect of regulatory compliance and risk management. The terms of reference of the Audit Committee constitutes the formal audit charter of the Committee.

The following activities were carried out by the Committee:

- The Committee reviewed the interim and annual financial statements of the Group and has recommended same to the Board for approval and publication.
- The Committee reviewed and made recommendation to the board about the policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group during the financial year under review. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board informed at regular intervals.
- The Committee held meetings with the External Auditors to review their report on audit results and the preparation of the Annual Report to ensure the reliability of the process, consistency of the Accounting policies and methods and compliance with Sri Lanka Accounting Standards.
- Recommendations made by the External Auditors were also discussed with the Board and implementation recommended to Management by the Committee.
- The Audit Committee also monitors the timely payments of all statutory obligations.
- The Company's budget proposals are also reviewed by the Audit Committee.
- The Audit Committee has reviewed the other services provided by the External Auditors to the Company to ensure their independence as Auditors has not been compromised.

The Audit Committee has received assurance from the Management with regard to the Company's operations and finances.

The Audit Committee also monitors the effectiveness of the Internal and Financial Control procedures on the basis of the reports submitted by the Internal Auditors of the Company, Messrs BDO, IT system controls and reports submitted by the General Manager & Accountant of each Hotel.

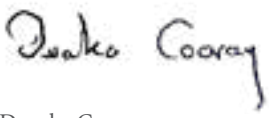
The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable, but not absolute assurance that the financial position of the Company is adequately monitored and that the systems are in place to minimize the impact of identifiable risks. The Company has complied with financial reporting requirements, information requirements under the Listing Rules, the Companies Act No. 7 of 2007 and the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the relevant financial reporting related regulations and requirements.

Audit Committee Report Contd.

The Auditor has acted as the external auditor of the company for 31 years and the current audit partner has been engaged in the audit of the Company for 05 years. As far as the Directors are aware, the Auditor does not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company. For the said reasons that the Committee determined that Auditors are independent. Written assurance was obtained from the Auditors, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The committee also met the External Auditors, without management being present, before finalising the financial statements to obtain their input on specific issues and ascertain whether they had any areas of concern relating to their work. The External Auditors raised no matters other than those already discussed with management and resolved.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young may continue as Auditors for the financial year ending 31st March, 2027.



Devaka Cooray
Chairman – Audit Committee

03rd June, 2026

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee was formed by the Board of Directors with effect from 1st January, 2016 in compliance with the Listing Rules of the Colombo Stock Exchange (CSE). As at 31st March, 2026 it comprised two Non-Executive Independent Directors and one Non- Executive Non-Independent Director as shown in below table. Chairman of the Committee is a Non-Executive Independent Director.

Members of the Related Party Transactions Review Committee		Attendance at the Meeting
Mr. H.A. Cabraal (Chairman)	Non-Executive Independent	4/4
Ms. M.P. Abeyesekera	Non-Executive Independent	4/4
Mr. N. Wadugodapitiya	Non-Executive Non-Independent	4/4

Scope of the Committee

Developing and recommending for adoption by the Board of Directors of the Company, a Related Party Transactions Policies and Procedures.

Making recommendations to the Board of Directors with regard to the related party transactions of the Group.

Updating the Board of related party transactions on a quarterly basis.

Making immediate market disclosures on applicable related party transactions as required by Rule 9.14 of the Listing Rules.

Making appropriate disclosures on related party transactions in the Annual Report as required by Rule 9.14 of the Listing Rules of CSE.

Policies and Procedures adopted by the Committee

The Company has in place a Related Party Transaction identification and disclosure procedure whereby the categories of persons who shall be considered as 'related parties' has been identified. In accordance with the above procedure, self-declarations are obtained from each Director/Key Management Personnel of the Company for the purpose of identifying parties related to them. The Committee endeavours to meet at least quarterly, review and report to the Board on matters involving related party transactions falling under its scope.

Committee Meetings

The Committee meetings were held on a quarterly basis. During the year under review, the Committee met on four occasions. The attendance at these meetings are given in above table. The activities and observations of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.

Related Party Transactions during the year

The committee reviewed the related party transactions during the year under review. Further, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold mentioned in the continuing Listing Rules other than those disclosed in page 140. The Company has complied with all requirements of the Listing Rules pertaining to related party transactions.

Details of other related party transactions entered into by the Company and its subsidiary during the above period is disclosed in pages 128 to 130.



Hiran Cabraal
Chairman
Related Party Transactions Review Committee
03rd June, 2026

Nominations and Governance Committee Report

The Nominations and Governance Committee, comprises two Non-Executive Independent Directors and one Non-Executive Non-Independent Director as shown in below table. The functions performed by the Company are as set forth in Rule 9.11.5 of the Listing Rules of the Colombo Stock Exchange (the "Listing Rules"). The Committee meetings were held on annual basis. The Nominations and Governance Committee met on one occasion during the financial year.

The Committee, as at 31st March 2026, comprised of the following members:

Members of the Nominations and Governance Committee		Attendance at the Meeting
Mr. H.A. Cabraal (Chairman)	Non-Executive Independent	1/1
Mr. N. Wadugodapitiya	Non-Executive Non-Independent	1/1
Ms. M.P. Abeyesekera	Non-Executive Independent	1/1

The following disclosures are made in terms of Rule 9.11.6 of the Listing Rules:

1. The Committee has adopted and follows documented policy and processes when nominating Directors.

2. Directors are not required to submit themselves for re-election at regular intervals.

3. The Board of Directors comprises individuals with diverse experience, skills, ages, and genders, ensuring effective Board performance.

4. The Committee has reviewed and evaluated the individuals nominated for appointment as Directors of the Company and to Board Committees following the requirements outlined in the Listing Rules and the Articles of Association of the Company. This includes an assessment of whether each individual meets the fit and proper criteria stipulated by the Listing Rules. The review and evaluation are conducted based on the criteria and framework adopted by the Committee.

5. The Committee has adopted the necessary processes for periodic evaluation of the performance of the Directors and such periodic evaluation has been carried out in terms of Rule 9.11.5 of the Listing Rules.

6. The Committee has established the necessary processes to inform Independent Directors about major issues affecting the Company. This is done either during meetings of the Board or its committees, and, if necessary, through written communication.

7. The Committee facilitates the Company's induction programmes for new Directors on corporate governance, Listing Rules, securities market regulations, and other applicable laws and regulations.

8. The Committee ensures that Directors are kept abreast of updates to relevant requirements. An annual update is also provided to existing Directors on corporate governance, Listing Rules, securities market regulations, and other applicable laws and regulations.

9. The Committee reviewed and confirmed the independence of each Independent Director based on annual declarations and the criteria prescribed by the Listing Rules.

   Further, in keeping with sub clause (a) to Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee along with the justification and rationale has recommended to the board of directors of the Company ("the Board") to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years on 15 June 2027

10. The Corporate Governance requirements stipulated under the Listing Rules have been met.

The Directors who are being proposed for re-appointment or re-elected during the year, are the following:

(i). Re-appointment of Mr. N. Wadugodapitiya, who has reached the age of 74 years, under section 211 of the Companies Act No. 7 of 2007.(as amended)

(ii). Re-election of Mr. N.J.H.M Cooray in terms of Article 29 (3) of the Articles of Association of the Company.

(iii). Re-election of Ms. N.T.M.S Cooray in terms of Article 29 (3) of the Articles of Association of the Company.

Nominations and Governance Committee Report Contd.

The information pertaining to such Directors who are being proposed for re-appointment or re-election which are required in terms of Rule 9.11.6(g) of the Listing Rules, are the following:

Members proposed for re-election or re-appointment	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in board committees, other principal commitments Any other relationships
Mr. N. Wadugodapitiya	Non-Executive Non-Independent Director	13th February 2008	30th June 2025	The details are provided in the Board Profiles and Corporate Governance
Mr. N.J.H.M Cooray	Non-Executive Non-Independent Director	17th January 1994	28th June 2024	
Ms. N.T.M.S Cooray	Non-Executive Non-Independent Director	17th January 1994	28th June 2024	



Hiran Cabraal
Chairman – Nominations and Governance Committee
03rd June, 2026

Annual Report of the Board of Directors on the Affairs of the Company

The Directors of The Lighthouse Hotel PLC (the 'Company') present their Report together with the Audited Consolidated Financial Statements of the Company for the year ended 31st March 2026.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 (the 'Companies Act'), Listing Rules of the Colombo Stock Exchange (the 'Listing rules') and are guided by recommended best accounting practices.

Review of the Year

The Chairman's Letter and the Management Discussion and Analysis describes the year's operations, financial performance, sustainability review and details of the future development of the Company.

The Principal Activity of the Company

The Company owns and operates Jetwing Lighthouse and Jetwing Kurulubedda which are targeted at the up-market leisure travellers.

The fully-owned subsidiary namely Unawatuna Properties (Pvt) Ltd commenced commercial operations of Hotel J – Unawatuna in December 2017.

On 8th April 2025, the Company acquired 100% of the voting shares of Dream Beach Resort (Pvt) Ltd an unlisted company (Incorporated in Sri Lanka) which owns Mask & Tide Ambalangoda.

Financial Statements

The Consolidated Financial Statements of the Company duly signed by Directors are given on pages 74 to 125 in this Annual Report.

Auditor's Report

The Auditor's Report on the Consolidated Financial Statements is given on pages 68 to 73.

Accounting Policies

The accounting policies adopted by the Group in the preparation of Consolidated Financial Statements are given on pages 80 to 91 in this Annual Report.

The accounting policies adopted are consistent with these of the previous financial year.

Interests Register Directors' Interests 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 those related parties are given on pages 131 to 132.

Related Party Transactions

The Company has complied with the rules set out in Section 9 of the Listing Rules pertaining to Related Party Transactions.

Directors' Remuneration

The aggregate remuneration paid to Non-Executive Directors is presented on page 117, with the exception of Mr. N.J.H.M Cooray and Ms. N.T.M.S. Cooray, who received no remuneration.

Insurance and Indemnity

The Company has obtained a Corporate Guard Insurance Policy from Allianz Insurance Lanka Ltd. to indemnify Directors and Officers (D&O) of the Company. The policy is extended worldwide excluding USA and Canada with a total cover of LKR 50,000,000/-. The premium is LKR 1,053,835/- including Taxes.

Directors' Interests in Shares

During the year, changes were recorded in the direct shareholding of Mr. M.P.D. Cooray, however, the direct shareholdings of the other Directors remained unchanged.

Directors' Shareholding

	Directors' Direct Shareholding	
	As at 31st March, 2026	As at 1st April, 2025
Mr. N.J.H.M. Cooray	1,354,695	1,354,695
Ms. N.T.M.S. Cooray	1,395,695	1,395,695
Mr. R.A.E. Samarasinghe (Resigned w.e.f. 23rd May 2025)	50,000	50,000
Mr. C.S.R.S. Anthony	1,000	1,000
Mr. M.P.D Cooray	400,000	350,000
Mr. N.J.D.M. Cooray Appointed w.e.f. 23rd May 2025	10,000	10,000

Non of the other directors held shares of the Company during the financial year.

Annual Report of the Board of Directors on the Affairs of the Company Contd.

Directorate

Names of the Directors who held office during the financial year are given below:

Executive Directors
Mr. R.A.E. Samarasinghe (Managing Director),
(Resigned w.e.f. 23rd May 2025)
Mr. C.S.R.S. Anthony,
Mr. N.J.D.M Cooray - (Appointed w.e.f. 23rd May 2025)

Non-Executive Non-Independent Directors
Mr. N.J.H.M. Cooray (Chairman),
Ms. N.T.M.S. Cooray,
Ms. A.M. Ondaatjie,
Mr. N. Wadugodapitiya,
Dr. C. Pathiraja - (Resigned w.e.f. 25th May 2026)

Non-Executive Independent Directors
Mr. M.P.D Cooray
Mr. H.A. Cabraal
Ms. M.P. Abeyesekera

Mr. N.J.H.M. Cooray and Ms. N.T.M.S. Cooray retires in terms of Article 29 (1) of the Articles of Association of the Company and being eligible has offered themselves for re-election as directors of the Company.

Mr. N. Wadugodapitiya, and Dr. C. Pathiraja (resigned w.e.f. 25th May 2026) have served as Non-Executive Independent Directors of the Company for more than nine (09) years. They have not been directly involved in the management of the Company and continues to exercise objectivity in the performance of their duties. However, both Mr. N. Wadugodapitiya and Dr. C. Pathiraja (resigned w.e.f. 25th May 2026) became Non-Executive Non-Independent Directors of the Company, as per the Listing Rules of the Colombo Stock Exchange.

Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007 (as amended) of the intention to propose ordinary resolutions, for the reappointment of Mr. N. Wadugodapitiya who has reached the age of 74 years not with standing the age limit of 70 years stipulated by Section 210 of the Companies Act.

Notice has been given to propose an ordinary resolution in accordance with sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, to approve Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years on 15th June 2027:

Subsidiary Board of Directors

The names of Directors of Unawatuna Properties (Pvt) Ltd. who held office during the financial year are given below:
Mr. N.J.H.M. Cooray & Mr. R.A.E. Samarasinghe

The names of Directors of Dream Beach Resort (Private) Limite who held office during the financial year are given below:
Mr. N.J.H.M. Cooray, Mr. R.A.E.Samarasinghe, Mr. C.R.S.Anthony, Mr. N.J.D.M.Cooray, Mr. K.K. Singh (Removed w.e.f. 17 October 2025), Mr. J.K.Bajaj (Resigned w.e.f. 08 April 2025),
Mr. U. Manpawan Kaur (Resigned w.e.f. 08 April 2025),
Mr. U.Manjyot Kaur (Resigned w.e.f. 08 April 2025),
Mr. A.Phichitsinghe (Resigned w.e.f. 08 April 2025),
Mr.U. Deepak Singh (Resigned w.e.f. 08 April 2025) &
Mr. U. Manjit Singh (Resigned w.e.f. 08 April 2025)

Donations

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to LKR 84,500/-.

Auditors

Messrs Ernst & Young, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act No. 07 of 2007 as Auditors of the Company.

A resolution proposing the Directors be authorized to determine the remuneration of the Auditors will be submitted to the Annual General Meeting.

Auditor's Remuneration

Messrs Ernst & Young were paid LKR 1,331,461/- as audit fees and expenses by the Company. In addition, they were paid LKR 372,048/-. by the Company for non-audit related work, which consisted mainly of tax consultancy and advisory.

Messrs Ernst & Young, Chartered Accountants the auditors of the Company are also the auditors of subsidiaries of the Group. The amount paid by the group to Messrs Ernst & Young as audit fees and expenses was LKR 1,906,536/- In addition, they were paid LKR 435,232/- by the Group for non-audit related services, which consisted mainly of tax consultancy and advisory.

As far as the Directors are aware, the Auditor does not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interests in the Company.

Turnover

The turnover for the year was LKR 1,610,107,822/- (2024/25 – LKR 1,457,674,921/-).

Annual Report of the Board of Directors on the Affairs of the Company Contd.

Profit/(Loss)

	Group	
	2026 LKR	2025 LKR
Net Profit/(Loss) for the Year after Providing for all Expenses, known Liabilities and Depreciation of Fixed Assets was	207,449,110	233,239,446
Other Comprehensive Income/(Loss)	3,106,093	(225,628)
Final dividend for 2025- LKR3.00 per share (2024- LKR3.00 per share)	(138,000,000)	(138,000,000)
Prior Year Retained Profit	208,777,400	113,763,582
Retained Profit at the End of the Year	281,332,603	208,777,400

Reserves

	Group	
	2026 LKR	2025 LKR
Revaluation Reserve	1,310,940,161	1,310,940,161
Special Reserve	1,325,671,060	1,325,671,060
Fair value Reserve of Financial Assets at FVOCI	(66,836,876)	(66,836,876)
As at 31st March	2,569,774,345	2,569,774,345

Revaluation Reserve

	Group	
	2026 LKR	2025 LKR
As at the beginning of the Year	1,310,940,161	1,079,465,561
Effect on Revaluation carried out during the year	-	330,678,000
Deferred Tax attributable to Revaluation surplus	-	(99,203,400)
As at 31st March	1,310,940,161	1,310,940,161

Special Reserve

	Group	
	2026 LKR	2025 LKR
As at the beginning of the Year	1,325,671,060	1,325,671,060
Transferred from Retained Earnings	–	–
As at 31st March,	1,325,671,060	1,325,671,060

With the adoption of SLFRS, the Company opted to reflect its building at deemed cost. The Board resolved to transfer such impact to a Special Reserve during the year 2013. This Special Reserve is available to be used in a manner determined by the Board from time to time.

Annual Report of the Board of Directors on the Affairs of the Company Contd.

Fair value Reserve of Financial Assets at FVOCI

	Group	
	2026 LKR	2025 LKR
As at the beginning of the Year	(66,836,876)	(48,618,031)
Loss on Fair value through other comprehensive income Financial Instruments	-	(18,218,845)
As at 31st March	(66,836,876)	(66,836,876)

Taxation

Pursuant to an agreement dated 29th January, 1994, entered into with the Board of Investment under Section 17 of the Board of Investment Law, the Company is taxed at the rate of 2% of the turnover from 1st April, 2008 for a period of 15 years in accordance with the said agreement up to 2023. However, from the year of assessment 2023/24 Income tax on operation of the Company is computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act. Interest Income earned has been provided for, based on the provisions of the Inland Revenue Act. Income tax on operation of Hotel J Unawatuna, Mask & Tide and Jetwing Kurulubedda are computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act.

Property, Plant and Equipment

The total expenditure on acquisition of Property, Plant and Equipment during the year by the Group and Company amounted to LKR 193,334,791/- (2025 – LKR 72,023,930/-) and LKR 106,594,352/- (2025 – LKR 69,347,042/-) respectively. Further, details of which are given in Note 4.1 to the Financial Statements on pages 93 to 94.

Market value of the land including the valuation method and the effective date of the valuation are provided in Note 4.4 to the Financial Statements on page 98.

Stated Capital

There were no changes in the Company's Stated Capital during the year under review. In terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was LKR 460,000,974/- as at 31st March, 2026 (Constituting of monies received by the Company from the issue of 46,000,000 ordinary shares).

Events Occurring after the Reporting Date

No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements other than the following –

- Proposed dividends which is disclosed in Note 28 to the Financial Statements on page 125.

Dividends

The Board of Directors recommends a payment of final dividend of LKR 3.00 per share (2025 – LKR 3.00 per share) for financial year 2025/26 to holders of the issued ordinary shares of 46,000,000 of the Company.

Annual Report of the Board of Directors on the Affairs of the Company Contd.

Statutory Payments

The Directors confirm that to the best of their knowledge all taxes and dues payable by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group and all other known statutory dues as were due as at the Reporting date have been paid or provided.

Public Shareholding

As at 31st March, 2026, 19.90% of the issued shares of the Company was held by public shareholders, comprising 1,531 shareholders and the float adjusted market capitalisation of LKR 596,780,160 In terms of Rule 7.13.1 (i) (b) of the Listing Rules, the Company qualifies under option 2 of the minimum public holding requirement.

Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2026, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company's budget for the ensuing year, ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiary have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

For and on behalf of the Board,

Director Director

Corporate Services (Pvt) Ltd.
Secretaries
The Lighthouse Hotel PLC
03rd June, 2026

Statement of Directors' Responsibilities

The Directors are responsible, under Sections 150 (1) and 151, of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out there into prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiary and the Income Statement of the financial year-end. 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 Accounting Standards (SLFRS & LKAS). The Financial Statements provide the information required by the Companies Act.

The Directors 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.

The External Auditors, Messrs Ernst & Young, are reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 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 68 to 73 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 and its subsidiary as at the Reporting date have been paid or where relevant, provided for.

Declaration in terms of the Listing Rules

The Directors declare that (i) they have declared all material interests in contracts involving in the Company and that they have refrained from voting on matters in which they were materially interested; (ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith; (iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; and (iv) they are not aware of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

By Order of the Board

Corporate Services (Pvt) Ltd.
Secretaries,
The Lighthouse Hotel PLC

216, De Saram Place, Colombo 10.
03rd June, 2026

Financial Calendar

Audited Financial Statements signed on 03rd June 2026

Annual General Meeting 30th June 2026

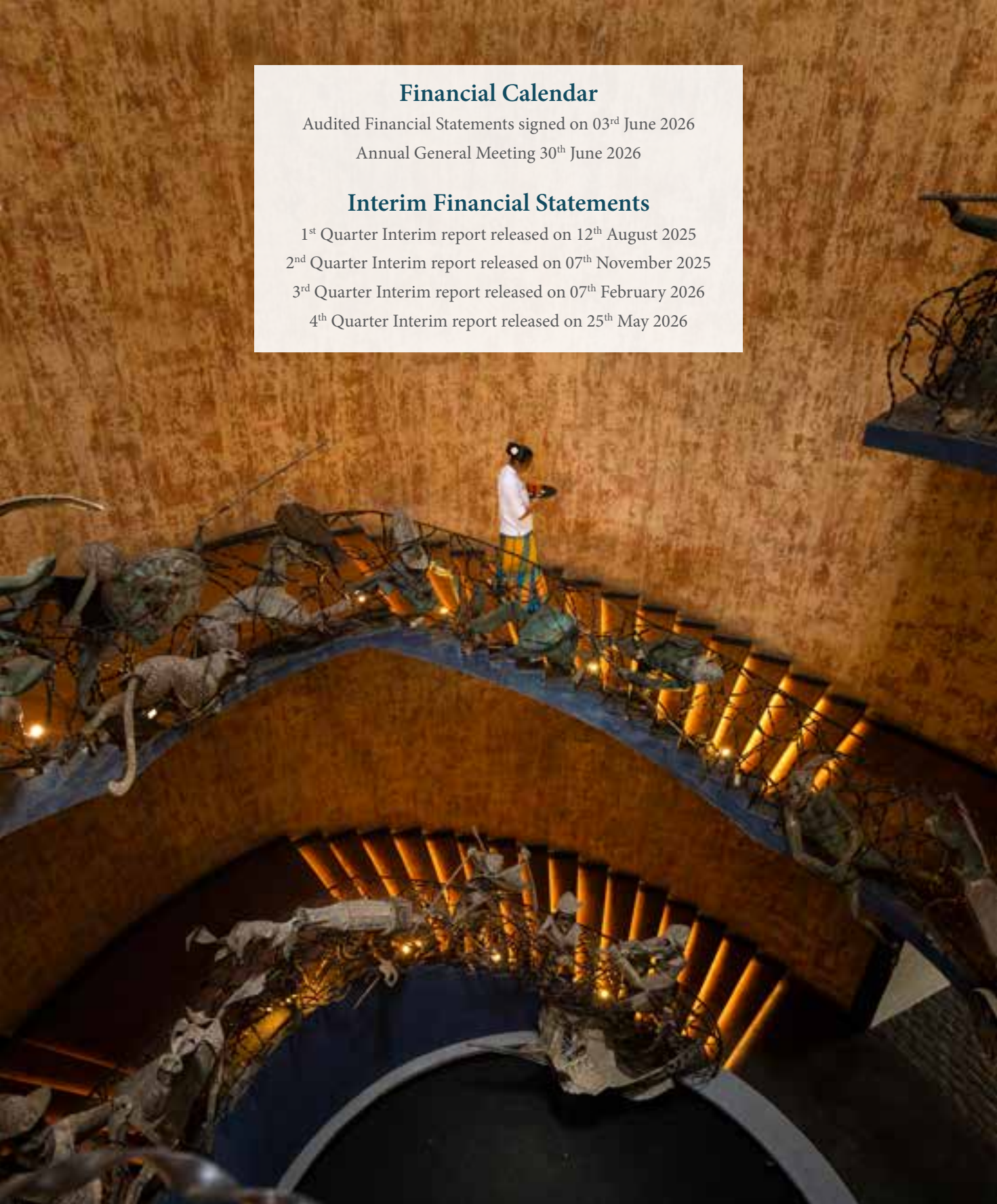
Interim Financial Statements

1st Quarter Interim report released on 12th August 2025

2nd Quarter Interim report released on 07th November 2025

3rd Quarter Interim report released on 07th February 2026

4th Quarter Interim report released on 25th May 2026



Independent Auditor's Report



Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF THE LIGHTHOUSE HOTEL PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Lighthouse Hotel PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the 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.

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.

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G C S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Salaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D H Gamage ACA ACMA, C A Yalegala ACA ACMA, Ms. P S Parameshtane ACA ACMA LLB (Colombo), S Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Rubens FCMA FCCA MBA, G B Goudian ACMA, D L B Kanunathdaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and related internal controls The Group records revenue from rooms, food, beverage, and other hotel services as provided in Note 3, across multiple properties with many voluminous daily transactions. Accuracy and completeness of recognition of revenue depends on effective internal controls, particularly the Night Audit function, which reconciles daily transactions using IT-generated reports from property management and point-of-sale systems. Accordingly, due to the significance, the inherent risk relating to accuracy and completeness, the critical role of the Night Audit process, and reliance on IT systems including the newly implemented system, revenue recognition was considered to be a key audit matter.	Our audit procedures included, among others: • Obtaining an understanding of the end-to-end revenue process, including the Night Audit function. • Evaluating the design and testing the operating effectiveness of key internal controls over revenue, including daily Night Audit reconciliations and supervisory reviews. • Assessing the design and implementation of controls over IT system and testing relevant configuration controls. • Testing IT General Controls (ITGCs), including user access, and system operations over systems supporting revenue processing. • Testing the completeness and accuracy of Night Audit reports on a sample basis. • Performing analytical procedures over revenue trends and occupancy levels. • Analysis of revenue that involved matching recorded revenue to cash collections and bank deposits on a sample basis.

Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
Implementation of new IT system The Group implemented a new cloud-based enterprise wide IT system, replacing the previous one during the financial year. This represented a significant change in the financial reporting environment of the Group. The implementation of the new IT system was considered a key audit matter, due to the significant audit effort that we had to deploy because of the following matters. • The implementation of newly designed IT related internal controls. • The data migration and cutover to the new IT system that took place at the end of 8 months into the financial year, which increased the risk of errors in the completeness, accuracy, and integrity of data transferred. • Increased use of substantive procedures due to financial reporting data being generated from both new and previous IT system that were used to prepare financial statements.	Our audit procedures, among others, included the following In understanding the newly designed internal controls: • We obtained an understanding of the new IT system implementation process, including its governance, data migration strategy, and cutover approach. • We involved IT audit specialists to assist us in: -Evaluating the data migration processes. -Evaluating the design and implementation of IT General Controls over the new IT system, focusing on access controls, and IT operations within the new environment. • We assessed the extent to which controls were operational during the year and identified areas where control reliance could not be placed. With regard to data migration and cutover: • We evaluated management's data migration and reconciliation procedures, including mapping, transformation logic, and validation controls. • We tested selected transactions around the cutover period to assess whether they were recorded in the correct period. Where control reliance was limited: • We increased the use of substantive audit procedures over significant account balances and transactions impacted by the IT system change.

Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
Acquisition of a subsidiary by the Group During the year, the Group completed the purchase of 100% of the issued capital of Dream Beach Resort (Private) Limited, a hotel business, which resulted in the recognition of negative goodwill amounting to LKR 12 Mn. The related disclosures are provided in Note 29 to the financial statements. We identified the accounting for the acquisition as a key audit matter because: • management engaged an external specialist to assess the fair values of the acquired land and buildings; and • determining those fair values involved considerable judgment and estimation such as: evaluating per-perch land price; and per-square foot rate used to calculate the fair value of building.	Our audit procedures included amongst others the following: • We assessed the competency, capability and objectivity of the external valuer engaged by the Group to determine the fair value of land and building related to the acquisition. • We read the external valuer's report and understood the key estimates made and the approach taken by the valuer in determining the fair value. • We assessed the reasonableness of the significant estimates used by the valuer such as per-perch land price; and per-square foot rate in the assessment of fair value and compared the same with relevant available data and sources. • We have also assessed the adequacy of the disclosures made in note 29 to the financial statements relating to the significant judgements and estimates used by the external valuer and their sensitivities.



Other Information included in the 2026 Annual Report

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 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 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.

Shape the future with confidence

• 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 2199.



03rd June 2026
Colombo

Statement of Financial Position

As at 31 March

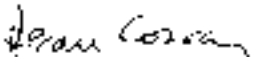
	Note	Group		Company	
		2026	2025	2026	2025
ASSETS		LKR	LKR	LKR	LKR
Non-Current Assets					
Property, Plant and Equipment	4	4,402,311,255	3,860,432,066	3,611,857,739	3,600,190,137
Right of Use Assets	5	2,014,407	2,090,910	2,014,407	2,090,910
Investments in Subsidiaries	7	-	-	722,789,524	325,000,000
Intangible Assets	6	9,754,827	257,292	7,119,174	148,958
Other Non-current Financial Assets	8.1	20,426,384	20,426,384	20,426,384	20,426,384
		4,434,506,873	3,883,206,652	4,364,207,228	3,947,856,389
Current Assets					
Inventories	9	55,869,001	31,075,574	52,898,769	29,367,491
Trade and Other Receivables	10	191,701,044	152,726,222	185,408,984	151,102,940
Other Current Financial Assets	8.4	77,540,104	188,152,859	77,540,104	188,152,859
Cash at Bank and in Hand	21	17,390,448	54,527,291	16,037,513	54,031,994
		342,500,597	426,481,946	331,885,370	422,655,284
Total Assets		4,777,007,470	4,309,688,598	4,696,092,598	4,370,511,673
EQUITY AND LIABILITIES					
Equity Attributable to Equity holders of the Parent					
Stated Capital	11	460,000,974	460,000,974	460,000,974	460,000,974
Reserves	12	2,569,774,345	2,569,774,345	2,535,376,595	2,535,376,595
Retained Earnings		281,332,602	208,777,400	494,580,558	393,560,793
		3,311,107,921	3,238,552,719	3,489,958,127	3,388,938,362
Non-controlling Interests		-	-	-	-
Total Equity		3,311,107,921	3,238,552,719	3,489,958,127	3,388,938,362
Non-Current Liabilities					
Post-employment Benefit Liability	13	55,053,882	51,674,138	49,196,299	49,189,760
Interest-bearing Loans and Borrowings	14	100,000,000	37,506,000	100,000,000	32,508,000
Deferred Tax Liabilities	19	690,154,792	561,994,706	553,586,175	542,781,798
		845,208,674	651,174,844	702,782,474	624,479,558
Current Liabilities					
Trade and Other Payables	15	322,178,879	236,921,354	288,681,060	220,941,322
Current portion of Interest-bearing Loans and Borrowings	14	211,234,982	109,395,250	127,393,923	62,508,000
Income Tax Payable		87,277,014	73,644,431	87,277,014	73,644,431
		620,690,875	419,961,035	503,351,997	357,093,753
Total Liabilities		1,465,899,549	1,071,135,879	1,206,134,471	981,573,311
Total Equity and Liabilities		4,777,007,470	4,309,688,598	4,696,092,598	4,370,511,673

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

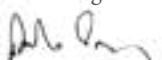


Director

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:



Director



Director

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

03 June 2026

Colombo.

Statement of Profit or Loss

Year ended 31 March

	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revenue	3	1,610,107,822	1,457,674,921	1,508,106,917	1,374,513,153
Cost of Sales		(338,465,682)	(289,245,035)	(321,496,094)	(275,373,708)
Gross Profit		1,271,642,140	1,168,429,886	1,186,610,822	1,099,139,445
Other Income & Gains	16	10,551,044	12,832,091	10,551,044	12,703,014
Marketing and Promotional Expenses		(34,415,984)	(32,384,389)	(30,870,904)	(30,035,006)
Administrative Expenses		(760,663,129)	(678,194,239)	(681,345,955)	(635,302,884)
Profit from operations before the following items		487,114,071	470,683,349	484,945,007	446,504,569
Depreciation & Amortization		(121,164,347)	(98,235,681)	(96,103,726)	(87,725,741)
Finance Cost	17.1	(25,295,215)	(13,549,759)	(21,052,067)	(11,973,115)
Finance Income	17.2	1,107,045	795,933	1,098,027	5,643,380
Gain on Bargain Purchase	29	12,227,254	-	-	-
Profit/(Loss) before Tax	18	353,988,807	359,693,842	368,887,241	352,449,093
Income Tax Expense	19	(146,539,697)	(126,454,396)	(133,582,746)	(121,968,917)
Profit/(Loss) for the Year		207,449,110	233,239,446	235,304,495	230,480,176
Attributable to:					
Equity holders of the Parent Company		207,449,110	233,239,446		
Non-controlling Interests		-	-		
		207,449,110	233,239,446		
Earnings/(Loss) Per Share	20	4.51	5.07		

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March

	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Profit/(Loss) for the Year		207,449,110	233,239,446	235,304,495	230,480,176
Other Comprehensive Income					
Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods:					
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods:					
Fair Value Gain/(Loss) on Equity Investments at Fair Value Through OCI	8	-	(18,218,845)	-	(18,218,845)
Actuarial Gain/(Loss) on Post Employment Benefit Liability	13	4,437,277	(322,326)	5,307,529	(274,112)
Deferred Tax Attributable to Post Employment Benefit Liability	19.3	(1,331,184)	96,698	(1,592,259)	82,234
Revaluation Surplus of Freehold Land	12.1	-	330,678,000	-	315,928,000
Deferred Tax Attributable to Revaluation Surplus	19.3	-	(99,203,400)	-	(94,778,400)
Other Comprehensive Income/(Loss) for the Year, net of tax		3,106,093	213,030,127	3,715,270	202,738,877
Total Comprehensive Income/(Loss) for the Year, net of tax		210,555,203	446,269,573	239,019,765	433,219,053
Attributable to:					
Equity holders of the Parent Company		210,555,203	446,269,573		
Non-controlling Interests		-	-		
		210,555,203	446,269,573		

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

Statement of Changes in Equity

Year ended 31 March

Group	Attributable to Equity Holders of Parent							
	Stated Capital (Note 11) LKR	Revaluation Reserve (Note 12.1) LKR	Fair value Reserve of Financials Assets at FVOCI (Note 12.3) LKR	Special Reserve (Note 12.2) LKR	Retained Earnings LKR	Total LKR	Non-controlling Interest LKR	Total Equity LKR
Balance as at 01 April 2024	460,000,974	1,079,465,561	(48,618,031)	1,325,671,060	113,763,582	2,930,283,146	-	2,930,283,146
Profit / (Loss) for the Year	-	-	-	-	233,239,446	233,239,446	-	233,239,446
Other Comprehensive Income/(Loss)	-	-	(18,218,845)	-	(225,628)	(18,444,473)	-	(18,444,473)
Total Comprehensive Income/(Loss)	-	-	(18,218,845)	-	233,013,818	214,794,973	-	214,794,973
Dividend Paid	-	-	-	-	(138,000,000)	(138,000,000)	-	(138,000,000)
Revaluation surplus of Freehold Land	-	330,678,000	-	-	-	330,678,000	-	330,678,000
Deferred Tax Attributable to Revaluation Surplus	-	(99,203,400)	-	-	-	(99,203,400)	-	(99,203,400)
Balance as at 31 March 2025	460,000,974	1,310,940,161	(66,836,876)	1,325,671,060	208,777,400	3,238,552,719	-	3,238,552,719
Profit/(Loss) for the Year	-	-	-	-	207,449,110	207,449,110	-	207,449,110
Other Comprehensive Income/(Loss)	-	-	-	-	3,106,093	3,106,093	-	3,106,093
Total Comprehensive Income/(Loss)	-	-	-	-	210,555,203	210,555,203	-	210,555,203
Dividend Paid	-	-	-	-	(138,000,000)	(138,000,000)	-	(138,000,000)
Balance as at 31 March 2026	460,000,974	1,310,940,161	(66,836,876)	1,325,671,060	281,332,603	3,311,107,922		3,311,107,922

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

Statement of Changes in Equity

Year ended 31 March

Company	Stated Capital (Note 11) LKR	Revaluation Reserve (Note 12.1) LKR	Fair value Reserve of Finanicals Assets at FVOCI (Note 12.3) LKR	Special Reserve (Note 12.2) LKR	Retained Earnings LKR	Total Equity LKR
Balance as at 01 April 2024	460,000,974	1,055,392,811	(48,618,031)	1,325,671,060	301,272,495	3,093,719,309
Profit / (Loss) for the Year	-	-	-	-	230,480,176	230,480,176
Other Comprehensive Profit/ (Loss)	-	-	(18,218,845)	-	(191,878)	(18,410,723)
Total Comprehensive Income/ (Loss)	-	-	(18,218,845)	-	230,288,298	212,068,453
Dividend Paid	-	-	-	-	(138,000,000)	(138,000,000)
Revaluation surplus of Freehold Land	-	315,928,000	-	-	-	315,928,000
Deferred Tax Attributable to Revaluation Surplus	-	(94,778,400)	-	-	-	(94,778,400)
Balance as at 31 March 2025	460,000,974	1,276,542,411	(66,836,876)	1,325,671,060	393,560,793	3,388,938,362
Profit/(Loss) for the Year	-	-	-	-	235,304,495	235,304,495
Other Comprehensive Income/ (Loss)	-	-	-	-	3,715,270	3,715,270
Total Comprehensive Income/ (Loss)	-	-	-	-	239,019,765	239,019,765
Dividend paid	-	-	-	-	(138,000,000)	(138,000,000)
Balance as at 31 March 2026	460,000,974	1,276,542,411	(66,836,876)	1,325,671,060	494,580,558	3,489,958,127

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 March

	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Profit/(Loss) before Tax		353,988,807	359,693,842	368,887,241	352,449,093
Adjustments for :					
Depreciation	4.2	119,475,303	97,880,378	94,926,749	87,532,938
Amortization of Right of Use Assets	5	76,503	30,303	76,503	30,303
Income from Investments- Interest Income	17.2	(1,107,045)	(795,933)	(1,098,027)	(5,643,380)
Fair value Gain on Sale of Investments	16	(364,898)	(6,297,812)	(364,898)	(6,297,812)
(Profit)/Loss on Disposal of Property, Plant and Equipment	18	188,314	(421,937)	-	(421,937)
				21,052,067	
Finance Costs	17.1	25,295,215	13,549,759	10,826,250	11,973,115
Provision for Defined Benefit Plans	13	11,788,305	10,363,153	-	9,921,978
Allowance for Doubtful Debts	18	-	(4,429,079)	-	(4,429,079)
Amortization of Intangible Assets	6	1,612,541	325,000	1,100,478	162,500
Exchange (Gain)/Loss on Debtor Valuation			(775,012)	-	(775,012)
Gain on Bargain Purchase	29	(12,227,254)	-	-	-
Operating Profit before Working Capital Changes		498,725,790	469,122,662	495,406,364	444,502,707
(Increase)/Decrease in Inventories		(23,573,282)	(996,679)	(23,531,278)	(1,292,001)
(Increase)/Decrease in Trade and Other Receivables		(31,007,012)	28,067,588	(34,306,044)	12,724,070
(Increase/(Decrease) in Trade and Other Payables		73,645,346	(11,940,391)	67,739,738	(8,240,254)
Cash Generated from Operations		517,790,842	484,253,180	505,308,779	447,694,522
Income Tax Paid		(116,655,214)	(116,913,262)	(110,738,045)	(116,913,262)
Finance Cost paid		(25,295,215)	(13,549,759)	(21,052,067)	(11,973,115)
Defined Benefit Plan Costs Paid Net of Transfers	13	(5,551,193)	(3,542,549)	(5,512,181)	(4,469,792)
Net Cash from Operating Activities		370,289,220	350,247,610	368,006,486	314,338,353
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	4.6	(193,334,791)	(72,023,930)	(106,594,352)	(69,347,042)
Acquisition of Intangible Assets	6	(11,110,075)	-	(8,070,694)	-
Redemption of in short term deposit	8.4.1	(74,653,288)	155,527,043	(74,653,288)	155,527,043
Investment in unit trusts @ FVTPL	8.4.2	185,630,941	(178,968,231)	185,630,941	(178,968,231)
Proceeds from Sale of Property, Plant and Equipment		-	677,966	-	677,966
Interest Income	17.2	1,107,045	795,933	1,098,027	5,643,380
Acquisition of a Subsidiary	29	(341,399,627)	-	(397,789,524)	
Net Cash Flows Used in Investing Activities		(433,759,795)	(93,991,219)	(400,378,890)	(86,466,884)
Cash Flows From/(Used in) Financing Activities					
Proceeds from Interest Bearing Loans & Borrowings	14	150,000,000	-	150,000,000	-
Repayment of Interest Bearing Loans & Borrowings	14	(80,006,000)	(45,004,000)	(75,008,000)	(41,672,000)
Dividends Paid		(138,000,000)	(138,000,000)	(138,000,000)	(138,000,000)
Net Cash Flows Used in Financing Activities		(68,006,000)	(183,004,000)	(63,008,000)	(179,672,000)
Net Increase /(Decrease) in Cash and Cash Equivalents		(131,476,576)	73,252,391	(95,380,404)	48,199,469
Cash and Cash Equivalents at the Beginning of the Year	21	12,638,041	(60,614,350)	54,031,994	5,832,525
Cash and Cash Equivalents at the End of the Year	21	(118,838,535)	12,638,041	(41,348,409)	54,031,994

The Accounting Policies and Notes on pages 80 through 125 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

The Lighthouse Hotel PLC ("Company") is a limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at "Jetwing House" 46/26 Navam Mawatha, Colombo-2 and principal place of business is situated at Dadella, Galle.

1.2 Principal Activities and Nature of Operations

The Company owns and operates Jetwing Lighthouse and Jetwing Kurulubedda which are targeted at the up market leisure travellers.

The fully owned subsidiary of the company, Unawatuna Properties (Pvt) Ltd (Incorporated in Sri Lanka) which operates Hotel J- Unawatuna commenced commercial operation during December 2017.

On 8th April 2025, the Company acquired 100% of the voting shares of Dream Beach Resort (Pvt) Ltd an unlisted company (Incorporated in Sri Lanka) which owns Mask & Tide Ambalangoda.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company does not have an identifiable parent of its own.

1.4 Date of Authorization for Issue

The Financial Statements of The Lighthouse Hotel PLC and its subsidiary, for the year ended 31 March 2026 were authorized for issue in accordance with a resolution of the Board of Directors on 03 June 2026.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of The Lighthouse Hotel PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), comprise the statement of financial position as at 31 March 2026 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements of the Company and the Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the requirements of Companies Act No. 7 of 2007.

2.2 Basis of measurement

The Financial Statements of the Company and the Group have been prepared on a historical cost basis except for:

- Freehold Land measured at fair value
- Financial assets classified as fair value through other comprehensive income (FVOCI).
- The liability for Defined Benefit Obligations are actuarially valued and recognized at the present value.

2.3 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2026, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company's budget for the ensuing year , ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

2.4 Changes in Accounting Policies

The accounting policies adopted by the Group are consistent with those of the previous financial year

2.5 Comparative Information

The presentation and classification of the financial statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

Notes to the Financial Statements Contd.

2.6 Basis of Consolidation

The Consolidated Financial Statements (referred to as the "Group") comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2026.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns When the Group has less than a majority of the voting or similar rights of an investee; the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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 derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Profit or Loss statement. Any investment retained is recognised at fair value.

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated Profit or Loss statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated statement of financial position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Profit or Loss statement and statement of comprehensive income and as a component of equity in the Consolidated statement of financial position, separately from equity attributable to the shareholders of the parent. The Consolidated statement of cash flows includes the cash flows of the Company and its subsidiaries.

2.7 Summary of Significant Accounting Policies Applied

2.7.1 Business Combination and Goodwill
Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the 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.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Notes to the Financial Statements Contd.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in 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 transferred; the gain is recognised in profit or loss.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.7.2 Foreign Currencies

The Financial Statements are presented in Sri Lanka Rupees, which is also the Group's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the profit and loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Rate of exchange rate used for the conversion of monetary assets and labilities were: 1 USD = LKR.315.2, 1 EUR = LKR. 361.7, 1 GBP = LKR.416.4.

2.7.3 Revenue from Customer Contract

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within SLFRS. It establishes a five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

a) Room Revenue
Revenue is recognized on the rooms occupied on daily basis and after completing all other obligation related to the Room.

b) Food & Beverage Revenue
Food & Beverage Revenue is accounted at the time of sale.

c) Other Hotel Related Revenue
Other Hotel Related Revenue is accounted when such service is rendered.

d) Dividend and interest income
Dividend income from investments is recognised when the Group's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Others
Other income is recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Notes to the Financial Statements Contd.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.7.4 Contract liabilities

A contract liability is recognised when the customer pays consideration before the group recognises the related revenue. Refundable guest deposits are recognised as contract liabilities in the group's financial statements. Non-refundable gym membership deposits are amortised as revenue in equal instalments over the duration of the membership..

2.7.5 Taxation

(a) Current Income Taxes

Current income tax assets and liabilities for the current period 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. Companies are liable to tax at the rate of 30%.

(b) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities, in which case the sales tax is recognised as a part of the cost of the asset or as a part of the expense items as applicable and receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(c) 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.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

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 (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability has been recognised in the companies which are enjoying the Board of Investment (BOI) Tax Holiday period, if there are no qualifying assets or liabilities beyond the tax holiday period.

2.7.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements Contd.

2.7.7 Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formulae:

Food and Beverage -At purchase cost on weighted average basis.
Other Inventories -At purchase cost on weighted average basis.

2.7.8 Cash and Cash Equivalents
Cash & cash equivalents in the Statement of Financial Position comprise short-term highly liquid deposits that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash & cash equivalents include cash in hand and balances with banks.

For the purpose of the statement of cash flows of the Company and Group, cash and cash equivalents consist of cash in hand and balances with banks (with a maturity of three months or less) net of outstanding bank overdrafts as they are considered an integral part of cash management.

2.7.9 Property, Plant and Equipment
Property, Plant and Equipment (except for land) is 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 Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised 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 recognised in the profit or loss as incurred.

Land is measured at fair value, less impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss.
A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognised.

The Group provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Group of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

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

Notes to the Financial Statements Contd.

2.7.10 Leases

As per SLFRS 16, when the Group has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. At the commencement date, the Group recognises right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. Lease payments are discounted using the IBR. After initial recognition, the Group applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Group depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognised in the profit or loss.

Group as a lessee:

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases, where the lessor effectively retains substantially all of the risk and benefits of ownership over the term of the lease are classified as operating leases. Operating lease payments are recognised as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

2.7.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Subsequent 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 do not contain a significant financing component.

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.

Notes to the Financial Statements Contd.

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)
- Financial assets at fair value through profit or loss

Financial Assets at Amortised Cost (Debt Instruments)
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 cash and short-term deposits, trade and other receivables and other financial assets.

Financial Assets at Fair Value Through OCI (Debt Instruments)
Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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 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.

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes short term investments which the Group had not irrevocably elected to classify at fair value through OCI. Income from these investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Notes to the Financial Statements Contd.

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 statement of 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 passthrough 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.

Impairment of Financial Assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables,

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 receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities
Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Notes to the Financial Statements Contd.

Subsequent Measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings (Financial liabilities at amortised cost)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 14.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

2.7.12 Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, except capitalised development costs, are not capitalised and related expenditure is recognised in the Statement of Profit or Loss when it is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Notes to the Financial Statements Contd.

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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.7.13 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 recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

2.7.14 Post-Employment Benefit Liability

a) Defined Benefit Plan – Gratuity

The Company and Group is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983 Payment of Gratuity Act No. 12 of 1983.

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent professional actuary each year using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

This item is stated under Post Employee Benefit Liability in the Statement of Financial Position. The gratuity liability is not externally funded.

b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.7.15 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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the 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. If that is the case the carrying amount of the asset is increased to its recoverable amount.

Notes to the Financial Statements Contd.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.7.16 Dividend Distributions
The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate line in statement of comprehensive income.

2.7.17 Government Grants
Grants are recognized at their fair value where there is a reasonable assurance the grant will be received and all attaching conditions, if any, will be complied with. When the grant relates to compensate for the cost of an asset are deducted from the cost of the related asset in the same period in which grant is received.

2.8 Significant Accounting Judgments, Estimates and Assumptions
The preparation of the Financial Statements of the Company and the Group in conformity with Sri Lanka Accounting Standards 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

Judgments
In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements.

Critical Accounting Estimates and Assumptions
The Financial Statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the Statement of Financial Position and amounts charged to the Statement of Profit or Loss. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant Notes to the Financial Statements.

a. Fair Value Measurement of Freehold Land:
The Freehold Land of the Group are reflected at fair value. Freehold Land is valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Land, with the assistance of an independent professional valuer. Valuations are performed frequently enough to ensure that the fair value of a revalued land does not differ materially from its carrying amount. To determine the frequency of valuations, the management uses its judgement supported by the advice of an independent professional valuer.

Further information including key inputs use in the valuation of the land of the Group and sensitivity analysis are provided in Note 4.

b. Components of Buildings:
In determining the depreciation expense, the Company with the assistance of an independent professional valuer determined the components of buildings that have varying useful lives. Approximation techniques and appropriate groupings were used in such determination as well as in the assessment of the useful lives of each component. Further details are given in Note 4.8.

Notes to the Financial Statements Contd.

c. Impairment of Trade Debtors:
The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit or Loss. The Management uses judgement in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery. Further details are given in Notes 10 & 25.

d. Fair value through Other Comprehensive Income (FVOCI) Financial Instruments:
The Fair Value of Financial Instruments through Other Comprehensive Income, that are unquoted is determined using valuation technique based on discounted cash flow analysis. Further details are given in Note 8.

e. Defined Benefit Plans:
The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further details are given in Note 13.

f. Recoverability of Deferred Tax Assets:
Deferred tax assets are recognised for 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.

g. Impairment of Non Financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.9 EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The following Sri Lanka Accounting Standards and interpretations have been issued by the Institute of Chartered Accountants of Sri Lanka which are not yet effective as at 31st March 2026.

- SLFRS 18: Presentation and Disclosure in Financial Statements
- SLFRS 19: Subsidiaries without Public Accountability: Disclosures
- Amendments to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments

The Group will not be significantly affected by these amendments as at the reporting date. Further, the amended standards and interpretations are not expected to have a significant impact on Group's Financial Statements.

Notes to the Financial Statements Contd.

3. REVENUE

3.1 Type of Services

The business activities of the Company are only organised as a single reportable segment, where the management of the hotel monitors the Revenue per Available Room and Average Room Rate as a key performance indicator. Revenue consists of the following type and nature of services.

	Group		Company	
	2026 LKR	2025 LKR	**2026 LKR**	2025 LKR
Room Revenue	904,093,722	862,801,386	833,548,875	806,545,650
Food and Beverage Revenue	517,229,041	420,922,357	486,131,354	394,129,280
Other Hotel Related Revenue	188,785,059	173,951,178	188,426,688	173,838,223
Total Revenue	1,610,107,822	1,457,674,921	1,508,106,917	1,374,513,153

3.2 Timing of Revenue Recognition

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

	Group		Company	
	2026 LKR	2025 LKR	**2026 LKR**	2025 LKR
Service transferred over time	1,092,878,781	1,036,752,564	1,021,975,563	980,383,873
Service transferred at a point in time	517,229,041	420,922,357	486,131,354	394,129,280
	1,610,107,822	1,457,674,921	1,508,106,917	1,374,513,153

Notes to the Financial Statements Contd.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amounts

Group	Balance As at 01.04.2025 LKR	Additions LKR	Acquisition of Subsidiary LKR	Disposals/ Written-off/ Transferred LKR	Balance As at 31.03.2026 LKR
At Cost					
Buildings and Building Integrals	2,436,961,563	45,033,182	403,297,507	(160,550)	2,885,131,702
Plant and Equipment	108,805,153	7,962,551	8,827,838	-	125,595,542
Sewerage Treatment Plant	9,359,079	-	-	-	9,359,079
Kitchen/Bar Equipment	81,804,874	9,664,109	12,647,774	-	104,116,757
Electrical Equipment	85,194,228	15,210,490	9,958,175	-	110,362,893
Solar Electrical System	32,628,519	748,000	2,012,690	-	35,389,209
Office Equipment	2,081,832	521,300	1,437,534	-	4,040,666
Sports Equipment	12,974,978	-	-	-	12,974,978
Furniture and Fittings	145,360,372	28,170,200	18,495,639	-	192,026,211
Swimming Pool Equipment	9,740,505	-	3,758,366	-	13,498,871
Audio & Video System	1,996,850	1,330,136	-	-	3,326,986
Generator	20,299,144	-	-	-	20,299,144
Motor Vehicles	16,905,223	34,097,518	-	-	51,002,741
Water Treatment Plant	4,409,724	-	-	-	4,409,724
Linen, Cutlery and Crockery	89,390,190	26,659,822	3,181,668	(69,728,987)	49,502,693
Laundry and Hot Water Equipment	28,186,959	495,581	-	-	28,682,540
Telephone System	7,114,091	579,653	657,397	-	8,351,141
Elevators	12,172,694	-	7,841,680	-	20,014,374
SMA TV System	18,610,108	4,764,587	968,469	-	24,343,164
Maintenance Tools	1,447,221	62,400	38,150	-	1,547,771
Music Instruments	3,328,838	808,984	-	-	4,137,822
Bar Furniture and Equipment	29,681,040	10,730,859	394,622	(325,000)	40,481,521
Computer Equipment & Systems	37,723,393	6,495,419	469,023	-	44,687,835
Bio Gas Plant	4,077,984	-	-	-	4,077,984
	3,200,254,562	193,334,791	473,986,532	(70,214,537)	3,797,361,348
At Fair Value					
Freehold Land	1,995,030,484	-	120,795,000		2,115,825,484
	1,995,030,484	-	120,795,000	-	2,115,825,484
Total Gross Carrying Amount	5,195,285,046	193,334,791	594,781,532	(70,214,537)	5,913,186,832

Notes to the Financial Statements Contd.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amounts

Company	Balance As at 01.04.2025 LKR	Additions LKR	Increase in Revaluation Reserve LKR	Disposals/ Written-off/ Transferred LKR	Balance As at 31.03.2026 LKR
At Cost					
Buildings and Building Integrals	2,254,334,350	7,309,510	-	-	2,261,643,860
Plant and Equipment	96,766,240	4,458,907	-	-	101,225,147
Sewerage Treatment Plant	7,523,345	-	-	-	7,523,345
Kitchen/Bar Equipment	77,956,234	8,821,059	-	-	86,777,293
Electrical Equipment	68,299,467	7,526,739	-	-	75,826,206
Solar Electrical System	32,628,519	748,000	-	-	33,376,519
Office Equipment	2,081,832	116,000	-	-	2,197,832
Sports Equipment	12,974,978	-	-	-	12,974,978
Furniture and Fittings	126,321,975	3,660,443	-	-	129,982,418
Swimming Pool Equipment	9,740,505	-	-	-	9,740,505
Audio & Video System	1,996,850	908,992	-	-	2,905,842
Generator	17,349,144	-	-	-	17,349,144
Motor Vehicles	16,905,223	34,097,518	-	-	51,002,741
Water Treatment Plant	2,046,799	-	-	-	2,046,799
Linen, Cutlery and Crockery	83,106,846	21,182,241	-	(64,587,294)	39,701,793
Laundry and Hot Water Equipment	28,186,959	495,581	-	-	28,682,540
Telephone System	5,485,873	508,315	-	-	5,994,188
Elevators	8,398,694	-	-	-	8,398,694
SMA TV System	16,912,448	4,517,977	-	-	21,430,425
Maintenance Tools	1,409,371	62,400	-	-	1,471,771
Music Instruments	3,328,838	808,984	-	-	4,137,822
Bar Furniture and Equipment	28,886,825	7,358,436	-	-	36,245,261
Computer Equipment & Systems	31,464,495	4,013,250	-	-	35,477,745
Bio Gas Plant	4,077,984	-	-	-	4,077,984
	2,938,183,794	106,594,352	-	(64,587,294)	2,980,190,852
At Fair Value					
Freehold Land	1,917,505,522	-	-	-	1,917,505,522
	1,917,505,522	-	-	-	1,917,505,522
Total Gross Carrying Amount	4,855,689,316	106,594,352	-	(64,587,294)	4,897,696,374

Notes to the Financial Statements Contd.

4.2 Depreciation

Group	Balance As at 01.04.2025 LKR	Acquisition of Subsidiary LKR	Charge for the year LKR	Disposals/ Transferred LKR	Balance As at 31.03.2026 LKR
At Cost					
Buildings and Building Integrals	749,211,448	61,525,475	61,324,529	(22,611)	872,038,841
Plant and Equipment	76,090,911	7,614,569	8,400,626	-	92,106,106
Sewerage Treatment Plant	6,267,590	-	344,476	-	6,612,066
Kitchen/Bar Equipment	68,069,354	12,346,948	2,716,639	-	83,132,941
Electrical Equipment	64,141,227	8,621,158	6,758,107	-	79,520,492
Solar Electrical System	11,824,374	1,839,790	3,337,792	-	17,001,956
Office Equipment	1,511,035	1,006,098	176,922	-	2,694,055
Sports Equipment	10,743,905	-	560,808	-	11,304,713
Furniture and Fittings	122,128,650	17,996,414	6,556,075	-	146,681,139
Swimming Pool Equipment	8,580,306	3,758,366	291,569	-	12,630,241
Audio & Video System	1,334,168	-	506,932	-	1,841,100
Generator	15,887,516	-	1,454,773	-	17,342,289
Motor Vehicles	16,905,223	-	2,978,456	-	19,883,679
Water Treatment Plant	3,668,955	-	273,968	-	3,942,923
Linen, Cutlery and Crockery	74,771,850	2,349,110	14,181,986	(69,728,987)	21,573,959
Laundry and Hot Water Equipment	22,648,869	-	1,168,406	-	23,817,275
Telephone System	4,554,023	657,397	345,696	-	5,557,116
Elevators	5,049,701	7,841,680	608,762	-	13,500,143
SMA TV System	13,659,439	246,721	1,469,858	-	15,376,018
Maintenance Tools	999,318	10,913	110,781	-	1,121,012
Music Instruments	2,217,658	-	263,199	-	2,480,857
Bar Furniture and Equipment	25,110,212	383,659	1,206,860	(274,625)	26,426,106
Computer Equipment & Systems	27,847,074	375,218	4,131,773	-	32,354,065
Bio Gas Plant	1,630,174	-	306,310	-	1,936,484
Total Depreciation	1,334,852,980	126,573,516	119,475,303	(70,026,223)	1,510,875,576

Notes to the Financial Statements Contd.

4.2 Depreciation

Company	Balance As at 01.04.2025 LKR	Charge for the year LKR	Disposals/ Transferred LKR	Balance As at 31.03.2026 LKR
At Cost				
Buildings and Building Integrals	724,158,984	47,708,809	-	771,867,793
Plant and Equipment	69,240,313	6,441,423	-	75,681,736
Sewerage Treatment Plant	5,595,116	252,803	-	5,847,919
Kitchen/Bar Equipment	65,406,708	2,256,928	-	67,663,636
Electrical Equipment	51,954,041	3,726,149	-	55,680,190
Solar Electrical System	11,824,374	3,296,287	-	15,120,661
Office Equipment	1,511,035	76,586	-	1,587,621
Sports Equipment	10,743,905	560,808	-	11,304,713
Furniture and Fittings	108,089,124	4,554,824	-	112,643,948
Swimming Pool Equipment	8,580,306	291,569	-	8,871,875
Audio & Video System	1,334,168	496,433	-	1,830,601
Generator	14,272,392	1,232,614	-	15,505,006
Motor Vehicles	16,905,223	2,978,456	-	19,883,679
Water Treatment Plant	1,975,793	37,940	-	2,013,733
Linen, Cutlery and Crockery	69,411,504	12,543,946	(64,587,294)	17,368,156
Laundry and Hot Water Equipment	22,648,869	1,168,406	-	23,817,275
Telephone System	3,773,729	221,053	-	3,994,782
Elevators	3,614,920	420,439	-	4,035,359
SMA TV System	12,475,063	1,177,230	-	13,652,293
Maintenance Tools	983,825	99,033	-	1,082,858
Music Instruments	2,217,658	263,199	-	2,480,857
Bar Furniture and Equipment	24,543,614	1,100,305	-	25,643,919
Computer Equipment & Systems	22,608,342	3,715,201	-	26,323,543
Bio Gas Plant	1,630,174	306,310	-	1,936,484
Total Depreciation	1,255,499,179	94,926,751	(64,587,294)	1,285,838,637

Notes to the Financial Statements Contd.

4.3 Net Book Values	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At Cost				
Buildings and Building Integrals	2,013,092,861	1,687,750,115	1,489,646,316	1,530,175,366
Plant and Equipment	33,489,436	32,714,242	25,543,407	27,525,927
Sewerage Treatment Plant	2,747,013	3,091,489	1,675,427	1,928,229
Kitchen/Bar Equipment	20,983,816	13,735,520	19,113,658	12,549,526
Electrical Equipment	30,842,402	21,053,001	20,146,018	16,345,426
Solar Electrical System	18,387,253	20,804,145	18,255,858	20,804,145
Office Equipment	1,346,610	570,797	610,211	570,797
Sports Equipment	1,670,265	2,231,073	1,670,265	2,231,073
Furniture and Fittings	45,345,072	23,231,722	17,338,465	18,232,851
Swimming Pool Equipment	868,630	1,160,199	868,630	1,160,199
Audio & Video System	1,485,886	662,682	1,075,241	662,682
Generator	2,956,855	4,411,628	1,844,139	3,076,752
Motor Vehicles	31,119,062	-	31,119,062	-
Water Treatment Plant	466,801	740,769	33,066	71,006
Linen, Cutlery and Crockery	27,928,734	14,618,340	22,333,642	13,695,343
Laundry and Hot Water Equipment	4,865,264	5,538,090	4,865,264	5,538,090
Telephone System	2,794,026	2,560,068	1,999,406	1,712,144
Elevators	6,514,231	7,122,993	4,363,335	4,783,774
SMA TV System	8,967,146	4,950,669	7,770,389	4,437,385
Maintenance Tools	426,759	447,903	388,914	425,546
Music Instruments	1,656,965	1,111,180	1,656,965	1,111,180
Bar Furniture and Equipment	14,055,414	4,570,828	10,601,341	4,343,211
Computer Equipment & Systems	12,333,770	9,876,319	9,291,698	8,856,153
Bio Gas Plant	2,141,500	2,447,810	2,141,500	2,447,810
	2,286,485,771	1,865,401,582	1,694,352,217	1,682,684,615
At Fair Value				
Freehold Land	2,115,825,484	1,995,030,484	1,917,505,522	1,917,505,522
	2,115,825,484	1,995,030,484	1,917,505,522	1,917,505,522
Total Carrying Amount of Property, Plant and Equipment	4,402,311,255	3,860,432,066	3,611,857,739	3,600,190,137

Notes to the Financial Statements Contd.

4.4 The freehold Lands has been last revalued by Messrs. K. Arthur Perera & Company (Independent firm of valuers) on the basis of current market value. Market comparable method has been used as the valuation technique. The details are tabulated below:

Company	Location	No of Perches	Estimated range of market values per Perch as at 31.03.2026 LKR	Estimated range of market values per Perch as at 31.03.2025 LKR	Carrying Amount as at 31.03.2026 (LKR 000)	Carrying Amount as at 31.03.2025 (LKR 000)
The Lighthouse Hotel PLC	Dadella, Galle	1451	175,000 to 1,900,000	175,000 to 1,900,000	1,917,506	1,917,506
Unawatuna Properties (Pvt) Ltd	Unawatuna, Galle	59	1,500,000	1,500,000	77,525	77,525
Dream Beach Resort (Pvt) Ltd	Ambalangoda	80.53	1,500,000	1,500,000	120,795	

Valuation process of the Group :

On a once in three years basis, the company usually engages an external independent and qualified valuer to determine the fair value of land. When significant changes in fair values are expected between two valuations, that necessitates a more regular basis of valuation adopted, the Board based on it's judgment as appropriately advised by the valuer obtains a further valuation to ensure that the carrying amount does not differ materially with fair value at the end of the reporting period. The last revaluation was carried out with an a effective date of 31st March 2025.

Sensitivity :

Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 5% estimated price per perch will cause a LKR 105,791,274/- (2025 - LKR 99,751,524/-) change in the fair value of freehold land, directionally.

The following table provides an analysis of the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 8.2

	Fair Value measurement as at 31 March 2026			
	Level 01 LKR	Level 02 LKR	Level 03 LKR	Total LKR
Group				
Freehold Land	-	-	2,115,825,484	**2,115,825,484**
Company				
Freehold Land	-	-	1,917,505,522	1,917,505,522

4.5 The carrying amount of revalued land that would have been included in the Financial Statements had the assets been carried at cost is as follows:

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Class of Asset				
Freehold Land	142,258,825	122,258,825	93,873,506	93,873,506

4.6 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of LKR 193,334,791/- (2025 - LKR 72,023,930/-) and the Company acquired Property, Plant and Equipment to the aggregate value of LKR 106,594,352/- (2025 - LKR 69,347,042/-) Cash payment amounting to LKR 193,334,791/-(2025 - LKR 72,023,930/-) and LKR 106,594,352/- (2025 - LKR 69,347,042/-) were made during the year for the purchase of Property Plant and Equipment by Group and Company respectively.

Notes to the Financial Statements Contd.

4.7 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of LKR 389,977,808/- (2025 - LKR 359,176,979/-) that consisted of individually insignificant items.

4.8 The useful lives of the assets are estimated as follows:

	Group/Company	
	2026 Year	**2025 Year**
Buildings and Building Integrals	15 to 60	15 to 60
Plant and Equipment	13.33	13.33
Sewerage Treatment Plant	20	20
Kitchen/Bar Equipment	10	10
Electrical Equipment	04 to 10	04 to 10
Solar Electrical System	10 to 20	10 to 20
Office Equipment	10	10
Sports Equipment	10	10
Furniture and Fittings	10	10
Swimming Pool Equipment	10	10
Generator	13.33	13.33
Audio & Video System	5	5
Motor Vehicles	05 to 08	05 to 08
Water Treatment Plant	10	10
Linen, Cutlery and Crockery	02 to 03	02 to 03
Laundry and Hot Water Equipment	10 to 13.33	10 to 13.33
Telephone System	13.33	13.33
Elevators	20	20
SMA TV System	10	10
Maintenance Tools	10	10
Music Instruments	10	10
Bar Furniture and Equipment	10	10
Computer Equipment & Systems	04	04
Bio Gas Plant	13.33	13.33

4.8.1 The Group regularly reviews the useful life of each significant component of property, plant and equipment taking into account the experience of recent refurbishment patterns as well as industry trends. Accordingly, depreciation was calculated for the year ended 31 March 2026 using a straight line method for each individual significant component of building, based on the following estimated useful lives.

Components included in Buildings & Building Integrals:

	Group/Company	
	2026 Year	**2025 Year**
Super Structure	60	60
Roof, Railing and Ceiling work	15	15
Wood, Aluminium and Glass work	15	15
Bathroom Fittings	15	15
Restaurant Floors - Wood	15	15
Tennis and Squash Court	60	60

Notes to the Financial Statements Contd.

5. RIGHT OF USE ASSETS

Set out below, are the carrying amounts of the right of use assets and the movements for the respective years.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	2,090,910	2,121,213	2,090,910	2,121,213
Transfers - (SLFRS 16 Initial Recognition)	-	-	-	-
Amortisation for the Year	(76,503)	(30,303)	(76,503)	(30,303)
As at 31st March	2,014,407	2,090,910	2,014,407	2,090,910

6. INTANGIBLE ASSETS

6.1 Cost

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	7,074,952	7,074,952	5,240,605	5,240,605
Acquired during the Year	11,110,075	-	8,070,694	-
Disposal of the year	(7,074,952)	-	(5,240,605)	-
As at 31st March	11,110,075	7,074,952	8,070,694	5,240,605
Amortisation				
As at 1st April	(6,817,660)	(6,492,660)	(5,091,647)	(4,929,147)
Amortised during the Year	(1,612,540)	(325,000)	(1,100,478)	(162,500)
Disposal of the year	7,074,952	-	5,240,605	-
As at 31st March	(1,355,248)	(6,817,660)	(951,520)	(5,091,647)
Net Book Value				
As at 1st April	257,292	582,292	148,958	311,458
As at 31st March	9,754,827	257,292	7,119,174	148,958

6.2 Computer Software includes an Enterprise Resource Planning System consisting of an application software. The Group has determined the useful life of above the software as three (3) to five (5) years and amortisation has been made on a straight line basis in the Statement of Profit or Loss.

Notes to the Financial Statements Contd.

7. INVESTMENTS IN SUBSIDIARY

7.1 Non-Quoted Investment

	Holding		Cost	
	2026	2025	2026	2025
	%	%	LKR	LKR
Unawatuna Properties (Pvt) Ltd (Note 7.2)	100	100	325,000,000	325,000,000
Dream Beach Resort (Pvt) Ltd (Note 7.2 & 7.3)	100		397,789,524	-
			722,789,524	325,000,000

7.2 The Group has determined that there is no impairment in the non-quoted investments as of the reporting date.

7.3 The group acquired 100% of the issued capital of Dream Beach Resort (Pvt) Ltd, as detailed further in Note 29. Additionally, it made a further investment of LKR 50 million post-acquisition.

8. OTHER FINANCIAL ASSETS

8.1 Other Non-Current Financial Assets

Financial Assets Measured at Fair Value through OCI	Group		Company	
8.1.1 Investments in Equity Securities - Non quoted :	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Rainforest Ecolodge (Pvt) Ltd. (Note 8.1.2)				
Fair Value at the beginning of the Year	20,426,384	38,645,229	20,426,384	38,645,229
Loss recognised in Other Comprehensive Income (Note 12.3)	-	(18,218,845)	-	(18,218,845)
Fair Value at the end of the Year	20,426,384	20,426,384	20,426,384	20,426,384

8.1.2 The Company held 18.32% (2025 - 18.32%) shareholding in Rainforest Ecolodge (Pvt) Ltd. The commercial operations of Rainforest Ecolodge (Pvt) Ltd commenced during the year 2013. The fair value of above unquoted equity securities was determined using Discounted cash flow (DCF) valuation technique, where significant inputs were not based on observable market data (Level 3). There were no share sales or purchases during the year. Valuation techniques, key assumption and the sensitivity of the significant inputs to the fair value of the Investment are as follows:

Valuation Technique	Significant Unobservable Inputs	Sensitivity of the input to fair value
Discounted Cash Flow (DCF) Method	Terminal Growth Rate 5% (2025 - 5%)	1% increase/(decrease) in the growth rate would result in increase/(decrease) in fair value by LKR 3.3 Mn and (LKR 2.8 Mn) respectively.
	Weighted Average Cost of Capital (WACC) 17% (2025 - 13%)	1% increase/(decrease) in the WACC would result in (decrease)/Increase in fair value by (LKR 4.3 Mn) and LKR 5.1 Mn respectively.

Notes to the Financial Statements Contd.

8.2 Fair Value Hierarchy

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

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

Level 2: Other valuation 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.

As at 31st March 2026, the Group/Company held the following financial instruments carried at fair value on the Statement of Financial Position.

8.3 Assets Measured at Fair Value

	Total LKR	Level 1 LKR	Level2 LKR	Level 3 LKR
Financial Assets Measured at fair value through OCI				
Non-quoted Equity Investment (8.1.1)	20,426,384	-	-	20,426,384
2026	20,426,384	-	-	20,426,384
2025	20,426,384	-	-	20,426,384

During the reporting year ending 31 March 2026, there were no transfers between Level 2 and Level 3 fair value measurements.

8.4 Other current financial assets

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Investment in Short term deposits (8.4.1)	77,540,104	2,886,816	77,540,104	2,886,816
Investment in Units (8.4.2)	-	185,266,043	-	185,266,043
	77,540,104	188,152,859	77,540,104	188,152,859

8.4.1 Amortised Cost

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Investment in Short term deposits in a commercial bank	77,540,104	2,886,816	77,540,104	2,886,816
	77,540,104	2,886,816	77,540,104	2,886,816

Notes to the Financial Statements Contd.

8.4.2 Fair value Through Profit or Loss

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Investment in Units (8.4.2.a)	-	185,266,043	-	185,266,043
	-	185,266,043	-	185,266,043

8.4.2.a Movement in Fair value Through Profit or Loss

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	185,266,043	-	185,266,043	-
Investment during the period	75,000,000	387,000,000	75,000,000	387,000,000
Sales during the year	(260,630,941)	(208,031,769)	(260,630,941)	(208,031,769)
Fair value gain	364,898	6,297,812	364,898	6,297,812
As at 31st March	-	185,266,043	-	185,266,043

9. INVENTORIES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Food and Beverage	40,725,551	18,520,666	38,890,538	17,842,595
Other Inventories	15,143,450	12,554,908	14,008,231	11,524,896
	55,869,001	31,075,574	52,898,769	29,367,491

Notes to the Financial Statements Contd.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade Debtors - Related Parties (Note 10.1)	39,003,459	38,517,530	38,733,546	38,517,530
Trade Debtors - Other	102,945,338	77,666,767	92,825,837	74,309,515
Less: Impairment of Trade Debtors	(2,048,375)	(2,048,375)	(2,048,375)	(2,048,375)
	139,900,422	114,135,922	129,511,008	110,778,670
Loans and Other Receivables - Related Parties (Note 10.2)	870,553	30,461	21,322,953	7,366,674
- Others	45,741,956	33,261,665	30,654,502	29,922,064
Less: Impairment of Other Receivables	(6,302,044)	(4,429,079)	(4,429,079)	(4,429,079)
	180,210,887	142,998,969	177,059,384	143,638,329
Prepayments	11,490,157	9,727,253	8,349,600	7,464,611
	191,701,044	152,726,222	185,408,984	151,102,940

Trade receivables are non-interest bearing and are generally on terms of 30 days.

See Note 25 (1) on credit risk of trade receivables, which discusses how the Company manages and measures credit quality of Trade Receivables that are neither past due nor impaired.

10.1 Related Parties

	Relationship	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Jetwing Travels (Pvt) Ltd	Other Related Party	36,310,909	37,580,179	36,040,996	37,580,179
Jetwing Eco Holidays (Pvt) Ltd	Other Related Party	175,912	143,570	175,912	143,570
Go Vacation Lanka Co. (Pvt) Ltd	Other Related Party	326,432	203,941	326,432	203,941
Tangerine Tours (Pvt) Ltd	Other Related Party	-	589,840	-	589,840
Jetwing Hotels Ltd	Other Related Party	649,600	-	649,600	-
Jetwing Journeys (pvt) Ltd	Other Related Party	67,300	-	67,300	-
Saman Villas Ltd	Other Related Party	654,736	-	654,736	-
St. Andrews Hotel (Pvt) Ltd	Other Related Party	30,000	-	30,000	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Other Related Party	460,185	-	460,185	-
Jetwing City (Pvt) Ltd	Other Related Party	12,873	-	12,873	-
The Riverbank (Pvt) Ltd	Other Related Party	224,927	-	224,927	-
Pottuvil Point (Pvt) Ltd	Other Related Party	90,585	-	90,585	-
		39,003,459	38,517,530	38,733,546	38,517,530

10.2 Other receivables - Related Parties

	Relationship	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Unawatuna Properties (Pvt) Ltd	Subsidiary	-	-	7,456,503	7,336,213
Galle Heritage Homes (Pvt) Ltd	Other Related Party	-	30,461	-	30,461
Dream Beach Resort (Pvt) Ltd	Subsidiary	-	-	12,995,897	-
The Royal Heritage Hotel (Pvt) Ltd.	Other Related Party	342,700	-	342,700	-
Saman Villas Ltd	Other Related Party	275,373	-	275,373	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Other Related Party	122,000	-	122,000	-
The Riverbank (Pvt) Ltd	Other Related Party	130,480	-	130,480	-
		870,553	30,461	21,322,953	7,366,674

All related party balances are receivable within 30 days, and non-interest bearing.

Notes to the Financial Statements Contd.

11. STATED CAPITAL

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the Year - 46,000,000 Ordinary Shares	460,000,974	460,000,974	460,000,974	460,000,974
At the end of the Year - 46,000,000 Ordinary Shares	460,000,974	460,000,974	460,000,974	460,000,974

12. RESERVES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revaluation Reserve (Note 12.1)	1,310,940,161	1,310,940,161	1,276,542,411	1,276,542,411
Special Reserve (Note 12.2)	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060
Fair value Reserve of Financials Assets at FVOCI (Note 12.3)	(66,836,876)	(66,836,876)	(66,836,876)	(66,836,876)
	2,569,774,345	2,569,774,345	2,535,376,595	2,535,376,595

12.1 Revaluation Reserve

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
On: Freehold Land				
As at 1st April	1,310,940,161	1,079,465,561	1,276,542,411	1,055,392,811
Revaluation Surplus (Note 12.4)	-	330,678,000	-	315,928,000
Deferred Tax Attributable to Revaluation Surplus	-	(99,203,400)	-	(94,778,400)
At at 31st March	1,310,940,161	1,310,940,161	1,276,542,411	1,276,542,411

12.2 Special Reserve (Note 12.5)

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060
At at 31st March	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060

Notes to the Financial Statements Contd.

12.3 Fair value Reserve of Financials Assets at FVOCI

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	(66,836,876)	(48,618,031)	(66,836,876)	(48,618,031)
Gain/(Loss) on Financials Assets at FVOCI (Note 8.1.1)	-	(18,218,845)	-	(18,218,845)
At at 31st March	(66,836,876)	(66,836,876)	(66,836,876)	(66,836,876)

12.4 The above revaluation surplus consists of net surplus resulting from the revaluation of Freehold Land as described in Note 4.4.

12.5 With the adoption of SLFRS in 2012/2013, the Company opted to reflect its building at deemed cost. The Board resolved to transfer such impact to a Special Reserve during the year 2013. This Special Reserve is available to be used in a manner determined by the Board from time to time.

13. POST-EMPLOYMENT BENEFIT LIABILITY

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	51,674,138	44,531,208	49,189,760	43,463,462
Charge for the Year (Note 13.1)	8,930,937	10,685,479	5,518,720	10,196,090
Transfers (Net) during the year	2,632,117	(9,404)	524,429	(1,192,187)
Payments made during the year	(8,183,310)	(3,533,145)	(6,036,610)	(3,277,605)
At at 31st March	55,053,882	51,674,138	49,196,299	49,189,760

13.1 Defined Benefit Plan Cost

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Current Service Cost	7,130,802	4,574,096	4,923,478	4,271,728
Interest cost on Benefit Obligation	6,237,412	5,789,057	5,902,771	5,650,250
Recognised in the Statement of Profit or Loss	13,368,214	10,363,153	10,826,249	9,921,978
Actuarial (Gain)/Loss for the year recognised in Other Comprehensive Income	(4,437,277)	322,326	(5,307,529)	274,112
Charge for the year	8,930,937	10,685,479	5,518,720	10,196,090

Notes to the Financial Statements Contd.

13.2 As at 31st March 2026 the gratuity liability was actuarially valued by Messrs. K.A.Pandit, an independent firm of actuaries.

Principal Actuarial Assumptions

The principal financial assumptions underlying the valuation are as follows:

	Group/Company	
	2026	**2025**
Discount Rate	11% p.a	12% p.a
Salary Increase	10% p.a	10% p.a
Staff Turnover	5% at each age	5% at each age

13.3 Sensitivity of assumptions employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2025/2026. The sensitivity of the Income Statement and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increase rate on the profit or loss and post employment benefit liability for the year.

	Group		Company	
Change in Assumptions	**Effect on Total Comprehensive Income - (Reduction)/ Increase in Results LKR**	**Pro Forma Post Employment Benefit Liability LKR**	**Effect on Total Comprehensive Income - (Reduction)/ Increase in Results LKR**	**Pro Forma Post Employment Benefit Liability LKR**
+1% Change in Discount Rate	3,447,509	51,606,373	3,098,218	52,294,517
-1% Change in Discount Rate	(3,885,226)	58,939,108	(3,482,622)	45,713,677
+1% Change in rate of Salary Increase	(3,922,785)	58,976,667	(3,516,243)	45,680,056
-1% Change in rate of Salary Increase	3,537,705	51,516,177	3,179,375	52,375,674
+1% change in Rate of Employee Turnover	(399,678)	55,453,560	(347,333)	48,848,966
-1% change in Rate of Employee Turnover	460,094	54,593,788	398,629	49,594,928

Notes to the Financial Statements Contd.

13.4 Distribution of Post Employment Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of future working lifetime of the Post Employment Benefit Obligation (Undiscounted) as at the reporting date.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Less than or equal 1 year	4,427,280	3,170,771	2,936,480	2,999,623
Over 1 year and less than or equal 5 years	22,286,152	17,591,300	20,997,942	16,909,065
Over 5 year and less than or equal 10 years	38,482,479	43,655,551	33,420,460	40,167,001
Total	65,195,911	64,417,622	57,354,882	60,075,689

14. INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Bank Loans (Note 14.1)				
As at 1st April	105,012,000	150,016,000	95,016,000	136,688,000
Loan obtained during the Year	150,000,000	-	150,000,000	-
Loan repayments during the Year	(80,006,000)	(45,004,000)	(75,008,000)	(41,672,000)
As at 31st March	175,006,000	105,012,000	170,008,000	95,016,000
Bank Overdrafts (Note 21.2)	136,228,982	41,889,250	57,385,923	-
	311,234,982	146,901,250	227,393,923	95,016,000
Current portion of Interest-bearing Borrowings	211,234,982	109,395,250	127,393,923	62,508,000
Non-current portion of Interest-bearing Borrowings	100,000,000	37,506,000	100,000,000	32,508,000
	311,234,982	146,901,250	227,393,923	95,016,000

Notes to the Financial Statements Contd.

14.1 Bank Loans - Group

	As At 01.04.2025 LKR	Loans Obtained LKR	Repayment LKR	As At 31.03.2026 LKR
Hatton National Bank - Term Loan	105,012,000	150,000,000	(80,006,000)	175,006,000
	105,012,000	150,000,000	(80,006,000)	175,006,000

Unsecured Term Loan consist of Rs 270 Mn repayable in 60 installments at an interest rate of AWPLR + premium. Jetwing Hotels Ltd has given a Corporate guarantee as a security.

Unsecured Term Loan consist of Rs 150 Mn repayable in 48 installments at an interest rate of AWPLR.

14.2 Bank Loans - Company

	As At 01.04.2025 LKR	Loans Obtained LKR	Repayment LKR	As At 31.03.2026 LKR
Hatton National Bank				
- Working Capital Loan *	95,016,000	-	(62,508,000)	32,508,000
- Term Loan * *		150,000,000	(12,500,000)	137,500,000
	95,016,000	150,000,000	(75,008,000)	170,008,000

* Secured Working Capital Loan consist of Rs 250 Mn repayable in 60 installments at an interest rate of AWPLR + premium. Jetwing Hotels Ltd has given a Corporate guarantee as a security.

** Secured Term Loan consist of Rs 150 Mn repayable in 48 installments at an interest rate of AWPLR.

Notes to the Financial Statements Contd.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade Payables - Other	76,923,877	46,282,843	67,609,076	44,077,195
Other Payables - Related Party (Note 15.1)	36,903,687	10,159,024	34,748,000	9,356,355
- Other ⁎	86,335,849	99,144,136	77,744,137	90,861,440
Guest Refundable Deposits for the Future Bookings	49,748,306	30,861,800	46,315,041	30,851,800
Sundry Creditors including Accrued Expenses	18,596,629	21,750,776	13,066,954	18,560,215
	268,508,348	208,198,579	239,483,208	193,707,005
Statutory Payables	53,670,531	28,722,775	49,197,852	27,234,317
	322,178,879	236,921,354	288,681,060	220,941,322

⁎ Other Payables- Others comprises employee related liabilities such as approved bonuses, service charge dues, welfare, and ancillary payments.

15.1 Other Payables - Related parties

		Group		Company	
	Relationship	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Jetwing Hotels Ltd.	Other Related Party	35,670,740	10,159,024	33,794,795	9,356,355
Blue Oceanic Beach Hotel (Pvt) Ltd	Other Related Party	37,004	-	37,004	-
Jetwing Travels (Pvt) Ltd	Other Related Party	581,347	-	581,347	-
Villa Properties (Pvt) Ltd	Other Related Party	260,392	-	-	-
Lanka Dhiviya (Pvt) Ltd	Other Related Party	19,350	-	-	-
Galle Heritage Homes (Pvt) Ltd	Other Related Party	334,854	-	334,854	-
		36,903,687	10,159,024	34,748,000	9,356,355

16. OTHER INCOME AND GAINS

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Insurance Claim Received	6,875,527	820,718	6,875,527	820,718
Rent Income	-	1,120,032	-	1,120,032
Hotel Operation & Marketing Fee	318,968	233,171	318,968	233,171
Write Back Of Other Payable	-	4,191,598	-	4,062,521
Fair value gain on Units	364,898	6,297,812	364,898	6,297,812
Other Income - Sundry	2,991,651	168,760	2,991,651	168,760
	10,551,044	12,832,091	10,551,044	12,703,014

Notes to the Financial Statements Contd.

17. FINANCE INCOME & FINANCE COST

17.1 Finance Cost

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest Expense on Bank Loan	10,306,604	12,465,517	9,636,459	11,327,765
Interest Expense on Bank Overdraft	14,988,611	1,084,242	11,415,608	645,350
	25,295,215	13,549,759	21,052,067	11,973,115

17.2 Finance Income

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest on Foreign Currency Deposits	12,121	15,455	3,888	5,643
Interest on Deposits - LKR	1,094,924	780,478	1,094,139	780,478
Interest on Inter Company Loan	-	-	-	4,857,259
	1,107,045	795,933	1,098,027	5,643,380

18. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
Stated after Charging /(Crediting) Included in Administrative Expenses	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Employees Benefits (including the following)	350,032,871	296,660,090	312,020,143	280,647,067
- Defined Benefit Plan Costs - Gratuity	13,368,214	10,363,153	10,826,249	9,921,978
- Defined Contribution Plan Costs - EPF & ETF	29,546,561	24,970,050	26,160,489	23,587,414
Depreciation	119,475,303	97,880,378	94,926,744	87,532,938
Amortization of Leasehold Property	76,503	30,303	76,503	30,303
Amortization of Intangible Assets	1,612,541	325,000	1,100,478	162,500
Exchange (Gain)/Loss	(5,252,664)	(5,431,289)	(5,079,045)	(5,431,289)
(Profit)/Loss on Disposal of Property, Plant and Equipment	188,314	(421,937)	-	(421,937)
Hotel Operation and Marketing Fees	89,549,106	82,265,678	85,109,090	77,743,827
Non-Executive Directors' Fees	4,600,000	2,530,000	4,600,000	2,530,000
Donations	84,500	1,033,000	72,000	1,028,000
Allowance for doubtful debts	-	4,429,079	-	4,429,079
Short Term Lease Rental Expense	-	840,000	-	420,000
Included in Marketing and Promotional Expenses				
Advertisements and Promotional Expenses	11,670,540	7,052,135	9,953,159	6,364,515

Notes to the Financial Statements Contd.

19. INCOME TAX

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Computation of Tax Charge is as follows:				
Current Income Tax;				
Statutory Income from Hotel Income at 30% (Note 19.1)	123,158,012	119,381,083	123,158,012	119,381,083
Statutory Income from Other Sources (Note 19.1)	1,212,616	3,916,675	1,212,616	3,916,675
Deferred Tax charge/(reversal) at 30% (Note 19.3)	22,169,069	3,288,947	9,212,118	(1,196,532)
Under/(Over) Provision of current taxes in respect of prior years	-	(132,309)	-	(132,309)
Income Tax Expense Reported in the Statement of Profit or Loss	146,539,697	126,454,396	133,582,746	121,968,917

19.1 Current Tax Expenses/(Income)

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Accounting Profit/(Loss) before tax	353,988,807	359,693,842	368,887,241	352,449,093
Aggregate Disallowed Items	127,548,557	114,768,880	107,702,769	103,812,765
Aggregate Allowable Income	(102,679,013)	(78,390,334)	(66,063,304)	(58,324,917)
Tax losses not utilized in the current financial year	-	1,864,553	-	-
Business Income	378,858,351	397,936,941	410,526,706	397,936,941
Investment Income	4,042,054	13,055,581	4,042,054	13,055,581
Taxable Profit for the year	382,900,405	410,992,522	414,568,760	410,992,522
Statutory Tax Rate				
Current Income Tax Expense at 30% (Note 19.2)	124,370,628	123,297,757	124,370,628	123,297,757
	124,370,628	123,297,757	124,370,628	123,297,757

19.2 Income tax on operations of the Company is computed on taxable profits at prevailing ra es stipulated by the Inland Revenue Act. Interest Income earned has been provided for, based on the provisions of the Inland Revenue Act. Income Tax on operation of Hotel J Unawatuna, Mask & Tide and Jetwing Kurulubedda are computed on taxal le profits at prevailing rates stipulated by the Inland Revenue Act.

Notes to the Financial Statements Contd.

19.3 Deferred Tax Charge/(Reversal)

19.3.1 Deferred Tax Charge/(Reversal) recognised through;

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Statement of Profit or Loss				
Charge/ (Reversal) Arising on During the Year Movement	22,169,069	3,288,947	9,212,118	(1,196,532)
	22,169,069	3,288,947	9,212,118	(1,196,532)
Other Comprehensive Income				
Charge/ (Reversal) Arising on During the Year Movement	1,331,184	99,106,702	1,592,259	94,696,166
	1,331,184	99,106,702	1,592,259	94,696,166

19.3.2 Deferred Tax Assets, Liabilities

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Deferred Tax Liabilities	734,341,173	616,100,013	569,818,444	559,002,606
Deferred Tax Assets	(44,186,381)	(54,105,307)	(16,232,269)	(16,220,808)
Net Deferred Tax Liabilities	690,154,792	561,994,706	553,586,175	542,781,798

Deferred Taxation Charge/(Reversal) - Statement of Profit or Loss /Other Comprehensive Income

	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive income / Directly through Equity	
Group	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Deferred Tax Lability						
Capital allowances for tax purposes	69,730,653	54,268,515	15,462,138	3,172,737	-	-
On Land revaluation surplus	561,831,498	561,831,498	-	-	-	99,203,400
Acquisition of subsidiary	104,659,831	-	-	-	-	-
Consolidation adjustment	(1,880,809)	-	(1,880,809)	-	-	-
	734,341,173	616,100,013	13,581,329	3,172,737	-	99,203,400
Deferred Tax Assets						
Defined Benefit Plans	(16,042,190)	(15,592,241)	(1,781,135)	(2,136,180)	1,331,184	(96,698)
Carry forward tax losses	(26,670,812)	(37,139,186)	10,468,374	2,062,198	-	-
Others	(1,473,379)	(1,373,880)	(99,499)	190,192	-	-
	(44,186,381)	(54,105,307)	8,587,740	116,120	1,331,184	96,698
Deferred Income Tax Charge recognize in OCI					1,331,184	99,106,702
Deferred Income Tax (Income)/ Expense			22,169,069	3,288,947		
Deferred Tax (Asset)/Liability	690,154,792	561,994,706				

Notes to the Financial Statements Contd.

Company	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive income / Directly through Equity	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Deferred Tax Liability						
Capital allowances for tax purposes	22,728,839	11,913,001	10,815,838	338,931,	-	
On Land revaluation surplus	547,089,605	547,089,605	-		-	94,778,400
	569,818,444	559,002,606	10,815,838	338,931	-	94,778,400
Deferred Tax Assets						
Defined Benefit Plans	(14,758,890)	(14,846,928)	(1,504,221)	(1,725,655)	1,592,259	(82,234)
Others	(1,473,379)	(1,373,880)	(99,499)	190,192	-	
	(16,232,269)	(16,220,808)	(1,603,720)	(1,535,463)	1,592,259	(82,234)
Deferred Income Tax Charge recognize in OCI					1,592,259	94,696,166
Deferred Income Tax (Income)/ Expense			9,212,118	(1,196,532)		
Net Deferred Tax Liability/ (Assets)	553,586,175	542,781,798				

The Group recognizes a deferred tax asset on unused tax losses which is expected to reduce the future tax expense based on the Group's forecasted business plans.

20 EARNINGS PER SHARE

20.1 Basic Earnings Per Share is calculated by dividing the earnings 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.

Notes to the Financial Statements Contd.

20.2 The following reflects the income and share data used in the Basic Earnings Per Share computation.

	Group	
Amount Used as the Numerator:	**2026 LKR**	**2025 LKR**
Net Profit/(Loss) Attributable to Ordinary Shareholders for Basic Earnings Per Share	207,449,110	233,239,446

Number of Ordinary Shares Used as Denominator:	**2026 Number**	**2025 Number**
Weighted Average number of Ordinary Shares in issue	46,000,000	46,000,000
Applicable to Basic Earnings/(Loss) Per Share (LKR)	4.51	5.07

21. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents

21.1 Favourable Cash and Cash Equivalents Balance

	Group		Company	
	2026 LKR	**2025 LKR**	**2026 LKR**	**2025 LKR**
Cash at Bank and in Hand	17,390,448	54,527,291	16,037,513	54,031,994
	17,390,448	54,527,291	16,037,513	54,031,994

21.2 Unfavourable Cash & Cash Equivalents Balance

	Group		Company	
	2026 LKR	**2025 LKR**	**2026 LKR**	**2025 LKR**
Bank Overdrafts (Note 14)	(136,228,982)	(41,889,250)	(57,385,923)	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(118,838,534)	12,638,041	(41,348,410)	54,031,994

Notes to the Financial Statements Contd.

22. COMMITMENTS AND CONTINGENCIES

a) Capital Expenditure Commitments

The Group/ Company has purchased and construction commitments on Property, Plant and Equipment incidental to the ordinary course of business as at 31 March, as follows:

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Authorised by the Board, but not Contracted for	95,572,046	103,048,068	82,305,037	94,962,743
	95,572,046	103,048,068	82,305,037	94,962,743

b) Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2026, other than the following:

- Local authorities has claimed a fee amounting to 1% of turnover for the issuance of trade license for the year 2020 to 2026 from the group. The group does not agree with such claim. The estimated contingent liability of the group as at 31st March 2026 is LKR 27.18 Mn. At the moment, five cases are pending at Magistrate's courts in Galle, Other than that, one case pending at Provincial High Courts in Galle.

- Contingencies of the Company as at the reporting date on account of guarantees issued on behalf of the subsidiary company amounted to LKR 150 Mn.

23. ASSETS PLEDGED

There are no assets pledged as securities for liabilities as at the year end.

24. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

24.1 Transactions with Key Management Personnel of the Group/Company

The Key Management Personnel are the members of its Board of Directors.

a) Key Management Personnel Compensation

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Executive Directors' Fees	-	-	-	-
Non-Executive Directors' Fees	4,600,000	2,530,000	4,600,000	2,530,000
Other KMPs	-	-	-	-
	4,600,000	2,530,000	4,600,000	2,530,000

Notes to the Financial Statements Contd.

24.2 Transactions with Subsidiaries

	Company	
	2026 LKR	2025 LKR
Amount Receivable as at 31 March (Note 10.2)	20,452,400	7,336,213
Nature of Transactions		
Purchase of Food and Beverages	177,853	-
Reimbursement of Expenses	2,206,807	489,585
Short term Loan Interest *	-	3,642,158
Gratuity Transfer (Net)	225,619	4,857,259
Temporary Advance Given	13,050,000	1,457,802
Investment in Shares	50,000,000	-
Sale of Accommodation and Transfers	180,900	

*During the past year a total aggregate amount of LKR 219 Mn has been provided to the subsidiary at varying time intervals in differing amounts as short-term loans and when needed for working capital requirements which has been fully settled in the same year. In comparison to the past year, the company did not provide short term loans to its subsidiaries.

24.3 Other Related Party disclosures

Transactions with entities that are significantly influenced by Key Management Personnel of the Company:

Some Key Management Personnel of the Company and their members of the families, collectively have control directly or indirectly in certain entities with which the Company entered into transactions, summarised as follows:

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Amount Receivable as at 31 March (Note 10.1)	973,600	38,547,991	21,426,000	38,547,991
Amount Payable as at 31 March (Note 15.1)	36,491,151	10,159,024	34,335,462	9,356,355
Nature of Transactions				
Hotel Operation and Marketing Fees	89,549,106	82,505,181	85,109,090	77,983,330
Purchases of Food & Beverage	6,954,850	7,076,737	6,767,991	7,076,737
Advertising Expenses & Other Reimbursements	15,190,954	10,419,890	13,267,542	11,790,342
Sale of Accommodation and Transfers	189,362,656	181,228,630	188,973,951	181,107,877
Transport Charges	5,797	132,650	-	132,650
Rent Received	-	897,436	-	897,436
Rent Paid	1,148,718	1,227,551	1,148,718	1,227,551
Gratuity Transfer	299,791	471,538	334,141	196,519
Support Service Charges	17,059,109	12,005,753	15,000,749	12,005,753
Purchases of Goods	11,348,753	5,311,656	10,499,711	4,673,456
Purchases of Asset	422,341	81,690	398,361	81,690
IT Related cost Reimbursement	21,002,791	3,299,646	14,881,200	-
Reimbursement of Expenses	1,619,304	1,334,131	1,619,304	1,334,131
Net Investment / (Redemption) in Units	(185,630,941)	178,968,231	(185,630,941)	178,968,231

24.4 Terms and Conditions

All related party balances are payable or receivable within 30 days, and non-interest bearing.

Notes to the Financial Statements Contd.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

– Credit risk
– Liquidity risk
– Market risk

Group's exposure to each of the above risks, and the Group's policies and procedures for measuring and managing risks are detailed below: The rates of exchange as at 31 March that were used in the financial statements are disclosed in 2.7.2

25.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The maximum exposure will be equal to the carrying amount of these instruments.

Exposure to credit risk is monitored on an ongoing basis, as the Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and approval by Credit Committee. A credit approved customer list has been prepared by the Credit Committee and credit is only granted to these customers. Further, credit granted is subject to regular review during monthly meetings of the Credit Committee, to ensure it remains consistent with the customer's current credit worthiness and appropriate to the anticipated volume of business. Currently, certain free independent travelers' settlements are received at the time of departure and this is monitored by the General Manager.

Due to the continuing impact from the pandemic and current economic condition ,the individual receivable balances were re-assessed, specific provisions were made wherever neceessary ,and the existing practice on the provisioning of trade receivables were re-visited and adjusted.

Short term Investments are made only in liquid short-term instruments in licensed commercial banks. Long term investments are made with the board approval.

The maximum exposure to credit risk at the reporting date was as follows:

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Cash at Bank and in Hand (Note 21.1)	17,390,448	54,527,291	16,037,513	54,031,994
Unquoted Equity Investments (Note 8.1)	20,426,384	20,426,384	20,426,384	20,426,384
Trade and Other Receivables (Note 10)	148,250,841	120,613,376	135,988,462	117,256,124
Other Current Financial Assets	77,540,104	188,152,859	77,540,104	188,152,859

Notes to the Financial Statements Contd.

Details of deposits with institutions and their credit ratings are as follows.

The Group held current financial assets other than cash, in various financial and related institutions.

Group Institution	Instrument	Credit Rating for 2026	Total Investment 2026 LKR	Credit Rating for 2025	Total Investment 2025 LKR
Commercial Bank of Ceylon PLC	Short Term Deposit	A	77,540,104	A	2,886,816
Capital Alliance Investment Ltd	CAL Investment Grade Fund	(Note 1)		-	185,266,043

Note 1: The CAL Investment Grade Fund invest in Banks, Corporate Debt and Government Securities. All Corporate debt invested by the Fund are required to have a Rating of BBB- or higher issued by a rating agency licensed by the SEC of Sri Lanka, as per the terms.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
As at 1st April	6,477,454	2,048,375	6,477,454	2,048,375
Amount Charged / (Reversal) during the year	-	4,429,079	-	4,429,079
Acquisition of Subsidiaries	1,872,965	-	-	-
At at 31st March	8,350,419	6,477,454	6,477,454	6,477,454

The ageing of trade and other receivables, excluding prepayments, at the end of the each reporting period is as follows :

	2026			2025		
Group	Gross Carrying Amount LKR	Impairment Allowance LKR	Net Carrying Amount LKR	Gross Carrying Amount LKR	Impairment Allowance LKR	Net Carrying Amount LKR
Neither past due, nor Impaired	130,127,190	-	130,127,190	104,311,365	-	104,311,365
Past due 31-60, but not Impaired	6,135,140	-	6,135,140	9,135,293	-	9,135,293
Past due 61-180	3,638,093	-	3,638,093	5,118,343	(4,429,079)	689,264
Past due more than 180 days	8,350,419	(8,350,419)	-	(2,048,375)	(2,048,375)	-
	148,250,842	(8,350,419)	139,900,423	120,613,376	(6,477,454)	114,135,922

	2026			2025		
Company	Gross Carrying Amount LKR	Impairment Allowance LKR	Net Carrying Amount LKR	Gross Carrying Amount LKR	Impairment Allowance LKR	Net Carrying Amount LKR
Neither past due, nor Impaired	120,344,478	-	120,344,478	101,438,834	-	101,438,834
Past due 31-60, but not Impaired	5,528,436	-	5,528,436	8,650,572	-	8,650,572
Past due 61-180	3,638,093	-	3,638,093	5,118,343	(4,429,079)	689,264
Past due more than 180 days	6,477,454	(6,477,454)	-	2,048,375	(2,048,375)	-
	135,988,461	(6,477,454)	129,511,007	117,256,124	(6,477,454)	110,778,670

Notes to the Financial Statements Contd.

25.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group had access to undrawn overdraft facilities of LKR 525 Mn as at 31 March 2026.

a. The following are the undiscounted contractual cash flows of Financial Liabilities as at 31 March 2026.

Summary of Financial Liabilities:

	Group		Company	
	2026 LKR	**2025 LKR**	**2026 LKR**	**2025 LKR**
Interest Bearing Loans and Borrowings (Note 14.1)	175,006,000	105,012,000	170,008,000	95,016,000
Bank Overdraft (Note 21.2)	136,228,982	41,889,250	57,385,923	-
Trade and Other Payables (Note 15)	268,508,348	208,198,579	239,483,210	193,707,005
	579,743,330	355,099,829	466,877,133	288,723,005

Maturity Analysis

Group	**1 - 6 Months LKR**	**7 - 12 Months LKR**	**1 - 5 Years LKR**	**Total LKR**
Interest Bearing Loans and Borrowings	52,503,000	22,503,000	100,000,000	175,006,000
Bank Overdraft	136,228,982	-	-	136,228,982
Trade and Other Payables	268,508,348	-	-	268,508,348
Total 2026	457,240,330	22,503,000	100,000,000	579,743,330
Total 2025	283,840,829	33,753,000	37,506,000	355,099,829

Company	**1 - 6 Months LKR**	**7 - 12 Months LKR**	**1 - 5 Years LKR**	**Total LKR**
Interest Bearing Loans and Borrowings	50,004,000	20,004,000	100,000,000	170,008,000
Bank Overdraft	57,385,923	-	-	57,385,923
Trade and Other Payables	239,483,210	-	-	239,483,210
Total 2026	347,622,333	20,004,000	100,000,000	466,877,133
Total 2025	224,961,005	31,254,000	32,508,000	288,723,005

b. Following are the maturities of financial liabilities and assets denominated in foreign currency

Financial Assets denominated in foreign currency	**1-6 months**	**7-12 months**	**1-2 years**	**3- 5 years**	**Total**
Interest Bearing Borrowings and Loan Payable in USD	-	-	-	-	-
Financial assets in USD and EUR (in Equivalent USD)	43,378	-	-	-	43,378
Net financial assets/ (financial Liabilities) expressed in USD					
Net Total 2026 (Net Asset/ (Net Liability)	43,378	-	-	-	43,378
Net Total 2025 (Net Asset/ (Net Liability)	15,352	-	-	-	15,352

c. As at the reporting date, the Group had cash of LKR 17,390,448/- (Company LKR 16,037,513/-) which is held in bank funds which allow daily withdrawals.

Notes to the Financial Statements Contd.

25.2.1 Liquidity risk management

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and intercompany borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

25.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk as it has foreign currency transactions and balances which are affected by foreign exchange rate movements.

An analysis of carring amount of financial instruments based on the currency that they are denominated as at 31st March 2026 are as follows:

Group	In USD	In EURO	In GBP
Cash at Bank and in Hand	32,990	7,934	971
Other Current Financial Asset	-	-	-
Interest Bearing Loan and Borrowings	-	-	-
Net aggregate carrying value	32,990	7,934	971
Net Aggregate Carrying Value in LKR 2026	10,398,517	2,869,836	404,413
Net Aggregate Carrying Value in LKR 2025	3,683,554	718,623	147,471

Company	In USD	In EURO	In GBP
Cash at Bank and in Hand	31,548	7,934	971
Other Current Financial Asset	-	-	-
Net aggregate Carrying Value	31,548	7,934	971
Net Aggregate Carrying Value in LKR 2026	9,943,778	2,869,836	404,413
Net Aggregate Carrying Value in LKR 2025	3,571,813	718,623	147,471

Foreign Currency Sensitivity

The following table demonstrate the sensitivity of Group's profit before tax to a reasonably possible change in USD exchange rates, assuming all other veriables being held constant.

Notes to the Financial Statements Contd.

		Effect on Profit Before Tax (LKR)	
		Group	Company
Sensitivity related to Cash at Bank			
Changes in USD Rate of Exchange	(+10%)	1,039,852	994,378
	(-10%)	(1,039,852)	(994,378)
Changes in USD Rate of Exchange	(+25%)	2,599,629	2,485,945
	(-25%)	(2,599,629)	(2,485,945)

In managing the foreign currency risk ,the Group invoices Tour operators and Travel agents based on the contracted foreign currency. Tour operators and certain key travel agents make settlements in foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Group's/Company's long term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax as affected through an impact on floating rate borrowings to a reasonably possible change in interest rates assuming all other variables being held constant.

	Assumed impact due to Increase/(Decrease) in basis points	Effect on Profit Before Tax (LKR) 31.03.2026
Sensitivity to Interest rates of Interest bearing borrowings in LKR	+ 500 basis points	(5,411,752)
	- 500 basis points	5,411,752
	+ 200 basis points	(2,164,701)
	- 200 basis points	2,164,701
	+ 100 basis points	(1,082,350)
	- 100 basis points	1,082,350

Notes to the Financial Statements Contd.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment changes to base rate of LIBOR and AWPLR.

An explanation of significant changes that occurred after the reporting date is given in Note 27.

25.4 Capital Management

The Board's intention is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objective for managing its capital is to ensure that company will be able to continue as a going concern while maximising the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt.

26. FAIR VALUE

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash at Bank and in Hand, Trade & Other Receivables, Short Term Deposits and Trade & Other Payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long term variable rate borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31st March 2026, the carrying amounts of such borrowings are not materially different from their calculated fair values.

26.1 Fair Value Hierarchy

As at 31 March 2026, the Group held the following financial instruments carried at fair value on the Statement of Financial Position.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique. The different levels have been defined in Note 8.2

	Fair Value measurement			
Group	**Level 1 LKR**	**Level 2 LKR**	**Level 3 LKR**	**TOTAL LKR**
Investment in Units (8.4.2)	-	-	-	-
Total 2026	-	-	-	-
Total 2025	185,266,043	-	-	185,266,043
Company				
Investment in Units (8.4.2)	-	-	-	-
Total 2026	-	-	-	-
Total 2025	185,266,043	-	-	185,266,043
	-			-

Notes to the Financial Statements Contd.

27. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements

28. DIVIDENDS - COMPANY	2026 LKR	2025 LKR
Declared and Paid during the Year		
Equity Dividends on Ordinary Shares :		
Final Dividend for 2025 : Rupees 3.00/- per share (Final Dividend for 2024 - Rupees 3.00/- per share)	138,000,000	138,000,000
Paid in the subsequent Year		
Proposed for approval at the AGM (not recognised as a Liability as at 31 March)		
Equity Dividends on Ordinary Shares :	138,000,000	138,000,000
Final Dividend for 2026 Rupees 3.00/- (2025 - Rupees 3.00/-)		

29. BUSINESS COMBINATION

On 8th April 2025, the Group acpuired 100% of the voting shares of dream Beach Resort (Pvt) Ltd (“‘DBR) an unlisted company in Ambalangoda which owns Hotel J Ambalangoda. The acquistion has been accounted for using the acquisition method. The consolidated financial statements include the results of DBR for the 12 months period from 1st April 2025.

The fair values of the identifiable assets and liabilities of DBR as at the date of acquisition were:

Assets	
Property, Plant and Equipment (provisional)*	468,208,017
Inventories	1,220,145
Trade and other receivbales	7,967,810
Cash	6,389,897
	483,785,869
Liabilities	
Trade Payables	(11,612,179)
Income tax payables	(5,917,171)
Retirement Benefit Obligations	(1,579,910)
Deferred tax liability (provisional)	(104,659,831)
	(123,769,091)
Total identifiable net assets at fair value	360,016,778
Bargain gain on acquisition (provisional)*	(12,227,254)
Purchase consideration transferred	347,789,524
Analysis of cash flows on acquisition:	
“Net cash acquired with the subsidiary (included in cash flows from investing activities)”	6,389,897
Cash paid	(347,789,524)
Net cash flow on acquisition	(341,399,627)





For moments like this, tucked away in nature's tranquility

Related Companies which had Transactions with the Company

Name of the Company	Nature of Transactions	Value of Transactions 2026 LKR	2025 LKR
BLUE OCEANIC BEACH HOTEL (PVT) LTD	Purchases of Food & Beverage	382,858	348,923
	Advertising Expenses & Other Reimbursements		
	Purchases of Asset	398,361	
	Sale of Accommodation and Transfers	659,295	705,369
	Reimbursement of Expenses		4,000
JET ENTERPRISES (PVT) LTD	Purchases of Food & Beverage	3,089,967	2,555,040
	Purchases of Goods	11,243,198	5,254,170
	Purchases of Asset		81,690
JETWING HOTELS LTD	Hotel Operation and Marketing Fees	89,549,106	82,014,941
	Advertising Expenses & Other Reimbursements	15,190,954	10,419,890
	IT Related cost Reimbursement	21,002,791	3,299,646
	Other Expenses		-
	Sale of Accommodation and Transfers	143,005	-
	Rent Received	1,148,718	1,227,551
SEASHELLS HOTEL (PVT) LTD	Gratuity Transfer	2,988,694	511,849
	Purchases of Asset	23,980	-
	Reimbursement of Expenses	66,256	-
	Sale of Accommodation and Transfers	-	42,930
	Purchases of Food & Beverage		272,934
THE FIRST RESORT (PVT) LTD	Sale of Accommodation and Transfers	36,000	4,987
THE ROYAL HERITAGE HOTEL (PVT) LTD	Reimbursement of Expenses	41,046	
	Gratuity Transfer	757,806	31,644
	Sale of Accommodation and Transfers		90,000
VILLA PROPERTIES (PVT) LTD	Support Service Charges	17,059,109	12,005,753
YALA PROPERTIES (PVT) LTD	Sale of Accommodation and Transfers	572,337	820,201
	Other Expenses	73,625	-
	Transport Charges	5,796	-
	Gratuity Received	456,250	360,281
	Purchases of Goods	25,899	26,486

Related Companies which had Transactions with the Company Contd.

Name of the Company	Nature of Transactions	Value of Transactions 2026 LKR	2025 LKR
LANKA DHIVIYA (PVT) LTD	Purchases of Food & Beverage	1,737,500	1,764,000
	Sale of Accommodation and Transfers		5,491
	Purchases of Goods	30,127	
JETWING TRAVELS (PVT) LTD	Sale of Accommodation and Transfers	174,719,109	167,023,361
	Transport Charges		32,600
NEGOMBO HOTELS LTD	Sale of Accommodation and Transfers	11,300	
JETWING ECO HOLIDAYS (PVT) LTD.	Sale of Accommodation and Transfers	3,593,503	3,920,715
JETWING KADURUKETHA (PVT) LTD	Purchases of Goods	4,769	
	Sale of Accommodation and Transfers		62,747
	Reimbursement of Expenses		281,616
	Rent Received		897,436
	Gratuity Transfer		2,323,750
JETWING CITY (PVT) LTD	Sale of Accommodation and Transfers	62,866	410,501
	Reimbursement of Expenses	107,233	
KADURUKETHA FARMERS (PVT) LTD	Purchases of Food & Beverage	201,250	523,000
GO VACATION LANKA CO.(PVT) LTD.	Sale of Accommodation and Transfers	2,394,586	2,727,555
CULTURAL HERITAGE (PVT) LTD	Gratuity Transfer	862,545	
	Reimbursement of Expenses	16,848	
	Sale of Accommodation and Transfers		81,636
	Purchases of Goods		6,000
POTTUVIL POINT (PVT) LTD	Sale of Accommodation and Transfers	531,517	954,621
	Reimbursement of Expenses	222,938	
	Gratuity Transfer		73,598
JETWING JOURNEYS (PVT) LTD	Sale of Accommodation and Transfers	512,050	168,771

Related Companies which had Transactions with the Company Contd.

Name of the Company	Nature of Transactions	Value of Transactions 2026 LKR	2025 LKR
TANGERINE TOURS (PVT) LTD	Sale of Accommodation and Transfers	2,336,658	1,927,252
ST ANDREWS HOTEL (PVT) LTD	Sale of Accommodation and Transfers	680,176	74,239
	Gratuity Transfer		316,295
THE RIVERBANK (PVT) LTD	Sale of Accommodation and Transfers	224,927	46,992
PEARL GARDEN MILLS (PVT) LTD	Purchases of Food & Beverage	98,300	343,696
HOTEL J CITY BEDS (PVT) LTD	Sale of Accommodation and Transfers	6,400	41,300
	Reimbursement of Expenses		82,154
	Gratuity Transfer		1,200,897
GALLE HERITAGE HOME PVT LTD	Purchases of Food & Beverage	229,101	452,006
	Hotel Operation and Marketing Fees	318,968	239,503
	Sale of Accommodation and Transfers	2,403,878	1,674,021
	Reimbursement of Expenses	772,390	542,561
SAMAN VILLAS LTD	Purchases of Food & Beverage	1,215,874	817,138
	Transport Charges	427,949	12,000
	Gratuity Transfer	3,853,004	1,560,956
	Sale of Accommodation and Transfers		178,721
	Reimbursement of Expenses		386,419
	Purchases of Goods	44,760	
SKY 30 RESTAURANT (PVT) LTD	Reimbursement of Expenses	47,100	
YALA SAFARI BEACH HOTEL (PVT) LTD	Transport Charges		88,050
YARL HOTELS (PVT) LTD	Purchases of Goods		25,000
	Sale of Accommodation and Transfers		259,578
NEGOMBO PROPERTIES (PVT) LTD	Sale of Accommodation and Transfers		12,629
	Reimbursement of Expenses		32,395
	Gratuity Transfer		236,830
Capital Alliance Investments Ltd	Investment in Units	(75,000,000)	(387,000,000)
	Redemption of units	260,630,941	208,031,769
	Capital Gain from redemption of units	364,898	6,297,812

Names of the Directors of the Related Companies which had Transactions with the Group

Jetwing Hotels Ltd.
Directors
Mr. N.J.H.M. Cooray
Ms. N.T.M.S. Cooray
Mr. R.A.E. Samarasinghe
Mr. C.S.R.S. Anthony
Mr. D.K.D. Nanayakkara
Ms. M.D.H. Gunawardena
Mr. N J.D.M. Cooray
Mr. N.J.H. Cooray
Mr. N.A.H. Cooray

Seashells Hotel (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.K. Chaudhary
Mr. P. S. Gupta

Jetwing Travels (Pvt) Ltd.
Directors
Ms. N.T.M.S. Cooray
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.J. Arasaratnam
Mr. P.B.M. Withana
Mr. I.D.D. Gunewardene
Mr. P.M.D. Dinesh
Mr. A.G.R. Cooray

Yala Properties (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.H.V. Perera

Jetwing Kiwi Limited
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Ms. W.G.R. Basnayake
Mr. C.S.R.S. Anthony

Jet Enterprises (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Ms. N.T.M.S. Cooray
Mr. C.S.R.S. Anthony

Go Vacation Lanka Co (Pvt) Ltd.
Directors
Ms. N.T.M.S. Cooray
Mr. R.J. Arasaratnam
Mr. K.U. Sperl
Mr. C.C.E.J. Mueller

St Andrew's Hotel (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe

The First Resort (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mrs. A.M.J. Cooray
Mr. R.A.E. Samarasinghe
Mr. C.S.R.S. Anthony

Yala Safari Beach Hotel (Pvt) Ltd.
Directors
Mr. N.J.H.M.Cooray
Mr. R.A.E.Samarasinghe
Mr. N.H.V. Perera
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

Negombo Hotels Ltd.
Directors
Mr. N.J.H.M. Cooray
Ms. N.T.M.S. Cooray
Mrs. A.M.J. Cooray
Mr. R.A.E. Samarasinghe

Jetwing Kiwi Management Limited
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Ms. W.G.R. Basnayake
Mr. C.S.R.S. Anthony

Blue Oceanic Beach Hotel (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mrs. A.M.J. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.H.V. Perera
Ms. M.D.H. Gunawardena

Jetwing Eco Holidays (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.J. Arasaratnam
Mr. C.S.R.S. Anthony

Villa Properties (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe

Jetwing Ayurveda (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe

The Royal Heritage Hotel (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.K. Chaudhary
Mr. P. S. Gupta

Jetwing Kaduruketha (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. C.S.R.S. Anthony
Mr. R.A.E. Samarasinghe
Mr. C. V. L. Kadurugamuwa
Mr. J. L. Kadurugamuwa

Names of the Directors of the Related Companies which had Transactions with the Group Contd.

Unawatuna Properties (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe

Cultural Heritage (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

Jetwing City (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mrs. A.M.J. Cooray
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

Kaduruketha Farmers (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. C. V. L. Kadurugamuwa
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony
Mr. J. L. Kadurugamuwa

Pottuvil Point (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

The Riverbank (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

Lanka Dhiviya (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mrs. D. J. Cooray
Mr. N.J.D.M. Cooray
Mr. N.J.H. Cooray

Hotel J City Beds (Pvt) Ltd.
Directors
Mr. N.J.D.M. Cooray
Mr. N.A.H. Cooray

Jetwing Journeys (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.J. Arasaratnam

Pearl Garden Mills (Pvt) Ltd.
Directors
Mr. N.J.D.M. Cooray
Mr. M.A.R. Premasiri
Mr. H.C.K. Mihindukulasuriya

Yarl Hotels (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Ms. N.T.M.S. Cooray
Mr. B.A.B. Goonetilleke
Mr. K. Balasundaram
Mr. H.D.A.D. Perera
Mr. W.L.P. Wijewardena
Mr. T.E.W. Hansen
Mrs. J. Moragoda

Saman Villas Ltd.
Directors
Mr. N. J. H. M. Cooray
Ms. N.T.M.S. Cooray
Mr. N.J.D.M. Cooray
Mr. H. Purasinghe

Tangerine Tours (Pvt) Ltd.
Directors
Mr. T.J. Ondaatjie
Ms. A.M. Ondaatjie
Mr. G. G. Ondaatjie
Mrs. F. Swangsa

Negombo Properties (Pvt) Ltd.
Directors
Mr N.J.H.M. Cooray
Mr R.A.E. Samarasinghe

Jetwing Real Estate (Pvt) Ltd.
Directors
Mr N.J.H.M. Cooray
Mrs A.M.J. Cooray

Jetwing Academy (Pvt) Ltd.
Directors
Mr C.S.R.S. Anthony
Mr D.K.D. Nanayakkara

Galle Heritage Homes (Pvt) Ltd.
Directors
Mr N.J.D.M. Cooray
Mr N.J.H. Cooray
Mr N.A.H. Cooray

Dream Beach Resort (Pvt) Ltd.
Directors
Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. N.J.D.M. Cooray
Mr. C.S.R.S. Anthony

Capital Alliance Investment Ltd.
Directors
Mr. K.P. Mannakkara
Ms. H.M.S. Perera
Ms. M. De Zoysa

Information to Shareholders and Investors

Number of Shares held	Residents			Non- Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1-1,000	1,248	287,691	0.63	8	1,514	0.00	1,256	289,205	0.63
1,001-5,000	184	484,736	1.05	2	5,010	0.01	186	489,746	1.05
5,001-10,000	49	392,812	0.85	-	-	0.00	49	392,812	0.85
10,001-50,000	33	739,455	1.61	-	-	0.00	33	739,455	1.61
50,001-100,000	7	576,683	1.25	1	53,129	0.12	8	629,812	1.38
100,001-500,000	2	747,200	1.62	-	-	-	2	747,200	1.62
500,001-1,000,000	5	3,681,222	8.00	-	-	-	5	3,681,222	8.00
Over 1,000,000	7	39,030,548	84.85	-	-	-	7	39,030,548	84.85
Total	1,535	45,940,347	99.87	11	59,653	0.13	1,546	46,000,000	100.00

Categories of Shareholders	Total		
	No. of Shareholders	No. of Shares	%
Individuals	1,464	5,326,307	11.58
Institutions	82	40,673,693	88.42
Total	1,546	46,000,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 31ST MARCH,

Name of Shareholder	No of Shares as at 31.03.2026	%	No of Shares as at 31.03.2025	%
JETWING HOTELS MANAGEMENT SERVICES (PVT) LTD	**18,970,440**	41.24	18,970,440	41.24
MERCANTILE INVESTMENTS AND FINANCE PLC	**7,736,677**	16.82	7,736,677	16.82
SUHADA GAS DISTRIBUTORS (PVT) LTD	**4,973,042**	10.81	-	-
EMPLOYEE'S PROVIDENT FUND	**4,600,000**	10.00	5,084,800	11.05
MISS NAWALAGE THERESE MANOURI SHIROMAL COORAY	**1,395,695**	3.03	1,395,695	3.03
MR. NAWALAGE JOSEPH HIRAN MAHINDA COORAY	**1,354,695**	2.94	1,354,695	2.94
FERN HOLDINGS (PRIVATE) LIMITED	**971,960**	2.11	1,196,270	2.60
JETWING TRAVELS (PVT) LTD	**840,200**	1.83	840,200	1.83
J.B. COCOSHELL (PVT) LTD	**752,955**	1.64	753,038	1.64
JETWING ECO HOLIDAYS (PVT) LTD	**595,984**	1.30	595,984	1.30
THE NUWARA ELIYA HOTELS COMPANY PLC	**520,123**	1.13	520,123	1.13
MR. MUTUTANTRIGE PARAKRAMA DEVAKA COORAY	**400,000**	0.87	350,000	0.76
MR. DEREK JOSEPH DE SILVA WIJEYERATNE	**347,200**	0.75	347,200	0.75
MR. SUNIL MENDIS	**100,000**	0.22	100,000	0.22
Mr. IVAN ARLEN RANDOLPH PERERA	**100,000**	0.22	100,000	0.22
SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	**97,700**	0.21	97,700	0.21
UNION INVESTMENTS (PRIVATE) LIMITED	**90,000**	0.20	90,000	0.20
DPMC ASSETLINE HOLDINGS (PVT) LTD ACCOUNT NO. 01	**64,283**	0.14	64,283	0.14
SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	**64,000**	0.14	64,000	0.14
MR. ARUNASALAM SITHAMPALAM	**60,700**	0.13	60,700	0.13
	44,035,654	95.73	39,721,805	86.35

Information to Shareholders and Investors Contd.

There were no non voting shares as at 31st March, 2026

	31 March 2026	31 March 2025
STATED CAPITAL		
Number of Shares presented by the stated capital		
Ordinary Shares	46,000,000	46,000,000
PUBLIC SHARE HOLDINGS		
Percentage of shares held by the public and the number of public shareholders is as given below.		
Public holding as a % of issued share capital	19.90%	30.71%
No. of shareholders representing the public holding	1,531	1,371
Float adjusted market capitalisation (LKR)	596,780,160	820,755,460
The applicable option under CSE Rule 7.13.1.(i)(b) on minimum public holding is option 2.		

MARKET VALUE AND TRADING SHARES

	31 March 2026 (LKR)	31 March 2025 (LKR)
Net assets value per share	71.98	70.40
Last traded price share as at	65.20	58.10
Highest market value per share - During the period	98.00	70.00
Lowest market value per share - During the period	57.00	54.10

SHARE TRADING - DURING THE YEAR

	31 March 2026 (LKR)	31 March 2025 (LKR)
Number of transactions	4,238	3,216
Number of shares traded	6,287,517	3,745,217
Value of shares traded (LKR)	468,980,730	197,177,397

Information to Shareholders and Investors Contd.

DIVIDENDS

The dividend policy of the company seeks to maximize shareholder wealth in the short, medium and long term. While ensuring sufficient funds are retained for future business expansions and to provide consistent stream of dividend to shareholders.
The Board of Directors of the Company have declared a final dividend of LKR 3/- per share for the financial year 2025/26 (2025 - LKR 3/- per share) which is payable on 20th July 2026 if approved by the Shareholders at the Annual General Meeting.

VALUE ADDED STATEMENT

GROUP	2026 LKR '000	2025 LKR '000
For the Year ended 31 March		
Total Revenue	1,610,108	1,457,675
Other Income	11,658	13,628
	1,621,766	1,471,303
Less: Purchase of Goods and Services	(645,512)	(565,402)
Value Added	976,254	905,901
Distributed as follows:		
To Government as Income taxes	146,540	126,454
To employees as salaries and other benefits	350,033	296,660
To providers of Capital		
- Dividends to shareholders	138,000	138,000
- Interest on borrowings	25,295	13,550
Retained within the business	316,386	331,237
Total	976,254	905,901

Ten Year Summary

Year ended 31st March,	2026 LKR '000	2025 LKR '000	2024 LKR '000	2023 LKR'000
Operating Results				
Revenue	1,610,108	1,457,675	1,360,170	731,240
Profit/(Loss) Before Taxation	353,989	359,694	264,122	(105,639)
Taxation	146,540	126,454	88,237	13,897
Profit After Taxation	207,449	233,239	175,885	(119,537)
Shareholders' Funds				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	2,569,774	2,569,774	2,356,518	2,373,895
Retained Earnings	281,333	208,777	113,764	(59,494)
Shareholders' Funds	3,311,108	3,238,552	2,930,283	2,774,402
Liabilities				
Interest Bearing Loans & Borrowings	311,235	146,901	243,509	394,822
Current Liabilities	409,456	310,566	316,254	163,595
Other Liabilities	55,054	51,674	44,531	43,588
Deferred Tax liabilities	690,155	561,995	459,599	462,127
Total Equity and Liabilities	4,777,008	4,309,688	3,994,176	3,838,534
Assets				
Property, Plant & Equipment	4,402,311	3,860,432	3,555,867	3,631,122
Right of Use Assets	2,014	2,091	2,121	2,151
Intangible Assets	9,755	257	582	907
Investments/Other Non-Current Financial Assets	20,426	20,426	38,645	56,022
Current Assets	342,501	426,482	396,961	148,332
Total Assets	4,777,008	4,309,688	3,994,176	3,838,534
Cash Flow				
From Operating Activities	370,289	350,247	330,700	32,944
From/(Used in) Investing Activities	(433,760)	(93,991)	(180,726)	28,912
From/(Used in) Financing Activities	(68,006)	(183,004)	(154,077)	(78,148)
Net Cash Inflow/(Outflow)	(131,477)	73,252	(4,103)	(16,292)
Cash and Cash Equivalents as at 31 March	118,838	12,638	(60,614)	(56,511)
Key Indicators				
Earnings/(Loss) per Ordinary Share (LKR)	4.51	5.07	3.82	(2.60)
Net Assets per Ordinary Share (LKR)	71.98	70.40	63.70	60.31
Market Value per Share (LKR)	65.20	58.10	37.90	27.30
Dividends per Share (LKR)	3.00	3.00	-	-
Price to Earnings Ratio (Times)	14.46	11.46	9.92	-
Dividend Payout Ratio	66%	59%	-	-

2022 LKR'000	2021 LKR'000	2020 LKR'000	2019 LKR'000	2018 LKR'000	2017 LKR'000
426,818	183,960	509,568	850,117	836,005	799,219
(70,920)	(193,116)	(89,492)	122,249	148,599	152,147
7,354	3,405	6,818	19,691	15,881	14,963
(78,274)	(196,521)	(96,311)	102,558	132,718	137,184
460,001	460,001	460,001	460,001	460,001	460,001
2,625,813	2,399,899	2,400,294	2,075,888	2,076,460	2,084,684
59,670	135,552	332,106	428,429	328,702	307,654
3,145,484	2,995,452	3,192,401	2,964,318	2,865,163	2,852,339
429,082	401,742	331,211	148,562	291,989	188,387
113,558	81,049	95,081	135,546	146,180	140,161
44,065	45,613	41,616	37,396	31,618	30,088
215,755	175,751	176,292	125,709	122,704	-
3,947,944	3,699,607	3,836,601	3,411,531	3,457,654	3,210,975
3,715,781	3,520,438	3,616,327	3,115,584	3,185,405	2,939,788
2,182	2,212	2,242	2,272	2,303	2,333
1,267	318	672	1,059	1,304	629
61,205	81,165	81,559	86,714	87,287	87,401
167,509	95,474	135,800	205,902	181,355	180,823
3,947,944	3,699,607	3,836,601	3,411,531	3,457,654	3,210,975
56,121	(42,436)	44,490	212,257	238,003	213,898
(40,042)	(22,656)	(233,765)	(27,497)	(230,634)	(86,316)
(1,835)	10,126	184,149	(1,662)	(76,344)	(250,901)
14,244	(54,966)	(5,126)	183,098	(68,975)	(123,319)
(40,219)	(54,463)	503	5,629	(177,469)	(108,494)
(1.70)	(4.27)	(2.09)	2.23	2.89	2.98
68.38	65.12	69.40	64.44	62.29	62.00
27.50	28.30	24.00	25.60	39.80	49.00
-	-	-	-	2.50	2.00
-	-	-	11.48	13.77	16.44
-	-	-	-	87%	67%



Real Estate Holdings of the Group

Location	Buildings in Sq.Ft.	No. of Buildings	Land Extent Area (in Acres)		Net Book Value as at 31st March, 2026 LKR '000
			Freehold Property	Leasehold Property	
Galle	295,288	16	10.04	3	4,130,933

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transactions	Aggregate Value of Related Party Transactions Entered into during the Financial Year (LKR)	Aggregate Value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Jetwing Travels (Pvt) Ltd	Other Related Party	Sale of Accommodation	174,719,109	11%	- Credit Period of 30 days - Normal Trade Discounts
Capital Alliance Investments Ltd	Other Related Party	Investment in Units	(75,000,000)	5%	Prevailing Market prices for the units
		Redemption of units	260,630,941	16%	
		Capital Gain from redemption of units	364,898	0.02%	

Corporate Information

NAME OF THE COMPANY
The Lighthouse Hotel PLC

COMPANY NUMBER
PQ 73

LEGAL FORM
A Quoted Public Company with
Limited Liability incorporated in
Sri Lanka in 1994.

BOARD OF DIRECTORS
N.J.H.M.Cooray - Chairman
R.A.E. Samarasinghe - (Resigned w.e.f. 23rd May 2025)
N.T.M.S.Cooray (Ms)
N.Wadugodapitiya
C.S.R.S.Anthony
A.M.Ondaatjie (Ms)
C.Pathiraja (Dr) - (Resigned w.e.f. 25th May 2026)
M.P.Abeyesekera (Ms)
M.P.D.Cooray
H.A.Cabraal
N.J.D.M Cooray - (Appointed w.e.f. 23rd May 2025)

AUDIT COMMITTEE
M.P.D.Cooray - Chairman
N.Wadugodapitiya
M.P.Abeyesekera (Ms)

REMUNERATION COMMITTEE
H.A.Cabraal - Chairman
M.P.D.Cooray
M.P.Abeyesekera (Ms)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
H.A.Cabraal - Chairman
N.Wadugodapitiya
M.P.Abeyesekera (Ms)

NOMINATION AND GOVERNANCE COMMITTEE
H.A.Cabraal - Chairman
N.Wadugodapitiya
M.P.Abeyesekera (Ms)

SECRETARIES
Corporate Services (Pvt) Ltd
216, De Saram Place
Colombo 10.
Phone : 4718200

AUDITORS
Messrs Ernst & Young
Chartered Accountants
Rotunda Towers,
No 109, Galle Road,
Colombo 03.

HOTEL OPERATION AND MARKETING
Jetwing Hotels Ltd
"Jetwing House"
46/26, Nawam Mawatha
Colombo 2.
Phone : 4709400
Web : www.jetwinghotels.com

LEGAL ADVISORS
Messrs F J & G de Saram
Attorneys-at-Law and
Notaries Public
216,De Saram Place,
Colombo 10.

BANKERS
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Hatton National Bank PLC

REGISTERED OFFICE
"Jetwing House"
46/26, Nawam Mawatha
Colombo 2.

Notice of Meeting

Notice is hereby given that the thirty-second (32nd) Annual General Meeting ("AGM") of The Lighthouse Hotel PLC (the "Company") will be held on Tuesday, 30th June 2026 at 10.00 a.m. at "Jetwing House II" 7th Floor, 46/26, Navam Mawatha, Colombo 02 and via virtual platform for the purpose of considering and if thought fit passing the following resolutions.

1. To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31st March 2026 and the report of the auditors thereon

2. To re-elect the following directors who retire by rotation;

   (a) Mr. Nawalage Joseph Hiran Mahinda Cooray retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered himself for re-election as a director

   (b) Ms. Nawalage Therese Manouri Shiromal Cooray retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered herself for re-election as a director

3. To propose the following resolutions for the re-appointment of Mr. Nihal Wadugodapitiya, who has reached the age of seventy-four (74) years

   IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Nihal Wadugodapitiya who has reached the age of seventy-four (74) years and that he be re-appointed as a director of the Company.

4. To propose the following resolution as an ordinary resolution in accordance with sub clause (c) of Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, to approve Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years:

   WHEREAS in keeping with sub clause (a) to Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee along with the justification and rationale had recommended to the board of directors of the Company ("the Board") to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years on 15 June 2027;

   WHEREAS the Board having duly considered the said justification and rationale has confirmed the recommendation of the Nominations and Governance Committee to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years;

   Accordingly, IT IS HEREBY RESOLVED THAT the recommendation of the Nominations and Governance Committee along with the justification and rationale and the confirmation of the board of directors of the Company to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years, be approved.

5. To declare a final dividend of LKR Three (LKR. 3/-) per share for the financial year ended 31st March 2026 as recommended by the Board.

6. To re-appoint M/s Ernst & Young, Chartered Accountants, who are deemed to be re-appointed as auditors until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2027 and to authorize the directors to determine their remuneration therefor

7. To authorize the directors to determine the contributions to charities for the ensuing year.

By order of the Board,

Corporate Services (Private) Limited
Secretaries
The Lighthouse Hotel PLC

On this 03rd of June 2026

Note:

Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote/speak in his/her stead and a form of proxy is sent herewith for this purpose. A proxy need not be a shareholder of the Company.

A completed form of proxy must be deposited with the secretaries of the Company at 216, de Saram Place, Colombo 10 or via corporateservices@corporateservices.lk not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

*I/We.....
.....
.....being a shareholder/ shareholders of THE LIGHTHOUSE HOTEL PLC do hereby appoint

1. Mr. Nawalage Joseph Hiran Mahinda Cooray	or failing him,
2. Ms. Nawalage Therese Manouri Shiromal Cooray	or failing her,
3. Mr. Nawalage Jerome Dmitri Mahinda Cooray	or failing him,
4. Mr. Conganige Sextus Roland Sanjeewa Anthony	or failing him,
5. Mr. Nihal Wadugodapitiya	or failing him,
6. Ms. Angeline Myrese Ondaatjie	or failing her,
7. Mr. Hiran Anthony Cabraal	or failing him,
8. Mr. Muthutantrige Parakrama Devaka Cooray	or failing him,
9. Ms. Manohari Prasadini Abeyesekera	or failing her,

.....of
.....
.....as my/our proxy to attend and vote at the annual general meeting of the Company to be held on the 30th of June 2026 and at any adjournment thereof.

	For	Against	Abstain
01. To receive and consider the annual report of the Board of Directors along with the financial statements of the Company for the year ended 31st March 2026 and the report of the auditors thereon.	☐	☐	☐
02. (a)To re-elect Mr. Nawalage Joseph Hiran Mahinda Cooray who retires in terms of article 29(1) of the articles of association of the Company and being eligible has offered himself for re-election as a director.	☐	☐	☐
(b)To re-elect Ms. Nawalage Therese Manouri Shiromal Cooray who retires in terms of article 29(1) of the articles of association of the Company and being eligible has offered herself for re-election as a director.	☐	☐	☐
03.IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Nihal Wadugodapitiya who has reached the age of seventy-four (74) years and that he be re-appointed as a director of the Company	☐	☐	☐
04. WHEREAS in keeping with sub clause (a) to Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee along with the justification and rationale had recommended to the board of directors of the Company ("the Board") to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years on 15 June 2027;	☐	☐	☐

WHEREAS the Board having duly considered the said justification and rationale has confirmed the recommendation of the Nominations and Governance Committee to consider Mr. Mututantrige Parakrama Devaka Coorayas nevertheless independent upon him attaining the age of seventy years;

Accordingly, IT IS HEREBY RESOLVED THAT the recommendation of the Nominations and Governance Committee along with the justification and rationale and the confirmation of the board of directors of the Company to consider Mr. Mututantrige Parakrama Devaka Cooray as nevertheless independent upon him attaining the age of seventy years, be approved.

05.To declare a final dividend of LKR Three (LKR. 3/-) per share for the financial year ended 31st March 2026 as recommended by the Board.	☐	☐	☐
06.To re-appoint M/s Ernst & Young, who are deemed to be re-appointed as auditors until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2027 and to authorize the directors to determine their remuneration therefor.	☐	☐	☐
07.To authorize the directors to determine the contributions to charities for the ensuing year	☐	☐	☐

Signed this……day of……. 2026.

…….....……
Signature/s of the Shareholder(s)

Note: Please delete the inappropriate words.

INSTRUCTIONS AS TO COMPLETION

1. Kindly complete the Form of Proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.

2. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy who need not be a shareholder, to attend and vote instead of him.

3. In the case of a corporation, the Form of Proxy must be completed under its Common Seal, which should be affixed and attested in the manner prescribed by the articles of association.

4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy in the manner prescribed in the articles of association.

5. The completed Form of Proxy should be deposited at Corporate Services (Private) Limited, 216 de Saram Place, Colombo 10 or forwarded via e-mail to corporateservices@corporateservices.lk not less than 48 hours before the appointed time for the meeting.

ANNUAL REPORT

2025 | 2026

THE LIGHTHOUSE HOTEL PLC