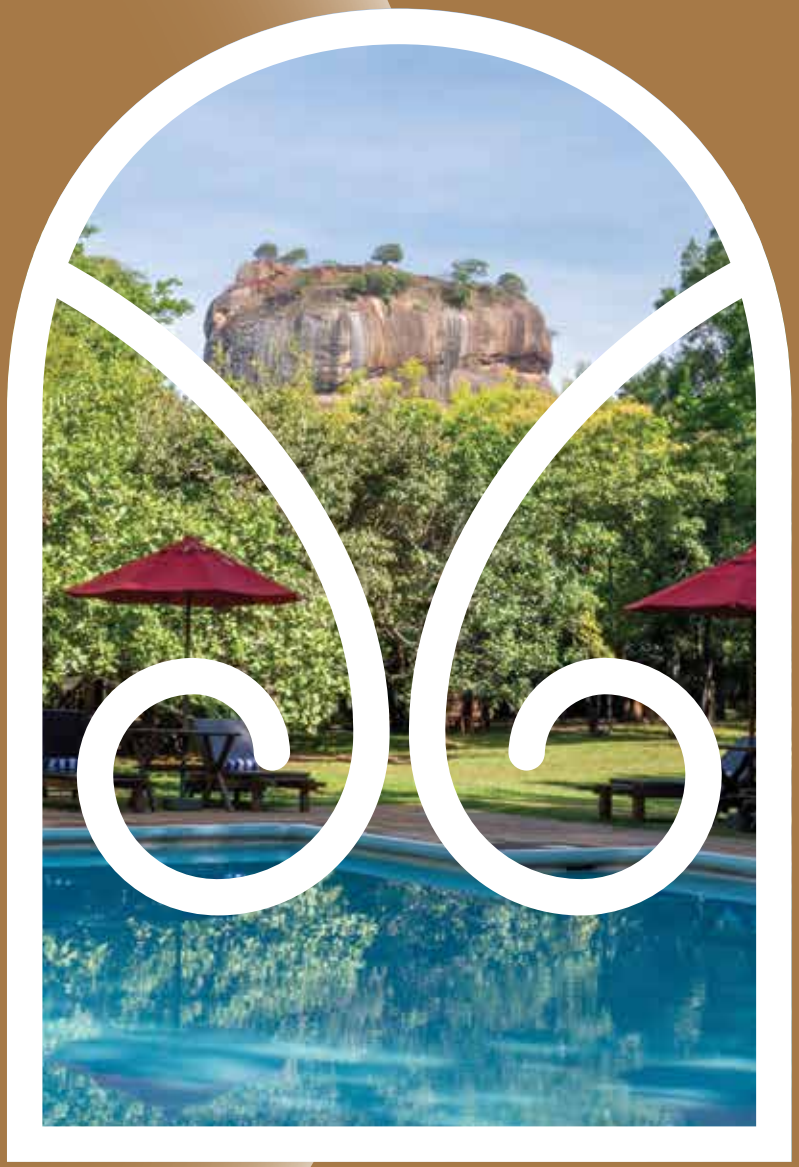
ANNUAL REPORT 2025 | 2026

SIGIRIYA VILLAGE HOTELS PLC



SIGIRIYA VILLAGE

FORT RESORTS

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CORPORATE INFORMATION

Name of Company

Sigiriya Village Hotels PLC

Status & Legal Form

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka on 11th September 1978 Under the Companies Ordinance. (Cap. 145) and re-registered on 6th June 2008 under the Companies Act No. 7 of 2007.

Company Registration No.

PQ 154

Registered Office

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

Stock Exchange Listing

The Issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Board of Directors

S. D. R. Arudpragasam (Chairman)

S. Rajaratnam

Amrit Rajaratnam

Anushman Rajaratnam

S. B. Perera

J. E. P. Kehelpannala

A.S.G.S. Pieries

Secretaries

Corporate Managers & Secretaries (Pvt) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building, Colombo 01.

Auditors

B. R. De Silva & Company

Chartered Accountants

22/4, Vijaya Kumaranathunga Mawatha,

Colombo 05

Bankers

Commercial Bank of Ceylon PLC

Sampath Bank PLC

Pan Asia Banking Corporation PLC

Standard Chartered Bank

Hatton National Bank PLC

National Development Bank

Muslim Commercial Bank Ltd

Hotel

Sigiriya Village

P. O. Box 1, Sigiriya, Sri Lanka

Tel-Fax: +94 (0) 66 22 86803-5

E-mail:sigiriyavillagehotel@forthotels.lk

Web: www.sigiriya-village.com

Sales & Reservation Office

York Hotel Management Services Ltd

8-5/2, Leyden Bastian Road,

York Arcade Building,

Colombo 01.

Tel : 0112381644-5

E-mail : reservations@sigiriyavillage.lk

Legal Advisers

Julius & Creasy

371, R. A. de Mel Mawatha,

Colombo 03.

NOTICE OF MEETING

Notice is hereby given that the 47th Annual General Meeting of Sigiriya Village Hotels PLC will be held on 21st August 2026, at 12.00 noon and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, for the following purposes :

1. To receive and consider the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.

2. To re-elect as a Director, Mr. Amrit Rajaratnam who retires in accordance with Articles 84 & 85 of the Articles of Association.

3. To re-elect as a Director, Mr. Sanjeev Rajaratnam who retires in accordance with Articles 84 & 85 of the Articles of Association.

4. To re-elect as a Director, Mr. A. S. G. S Pieries who was appointed during the year and retires in accordance with Article 91 of the Articles of Association.

5. To reappoint as a Director, Mr. S. D. R. Arudpragasam, who is over seventy years of age. Special Notice has been received from a Shareholder of the intention to pass a resolution which is set out in the notes in relation to his reappointment. (see note 6).

6. To authorise the Directors to determine contributions to charities.

7. To reappoint as Auditors, Messrs. B.R. De Silva & Co. and to authorise the Directors to determine their remuneration.

By Order of the Board

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LIMITED.



Secretaries
Colombo

24th July 2026

Notes :

1. A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.

2. A Form of Proxy is enclosed with this Report.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company's Secretaries at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than forty eight hours before the time fixed for the meeting.

4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the Meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.

5. Please refer the "Circular to Shareholders" dated 24th July 2026 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.

6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved –

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

CHAIRMAN'S REVIEW

It is with deep reflection and a renewed sense of resolve that I welcome you, on behalf of the Board of Directors, to the 47th Annual General Meeting of Sigiriya Village Hotels PLC. I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31st March 2026.

The year under review was one of marked contrasts a period in which the momentum built during our recovery collided with two unprecedented external shocks that tested the resilience of our operations and, indeed, the entire Sri Lankan tourism industry. Yet, through these headwinds, Sigiriya Village Hotels PLC delivered its strongest revenue performance on record, demonstrating the enduring appeal of our location, the dedication of our team, and the strength of the strategic investments we have made to restore and elevate our property.

Macroeconomic and Industry Context

Sri Lanka's broader economic recovery continued to gather pace throughout the 2025/2026 financial year, supported by ongoing fiscal consolidation under the IMF's Extended Fund Facility and improving foreign reserves. GDP growth remained in positive territory, underpinned by tourism earnings, export receipts, and remittances, while disciplined monetary policy kept inflation in check.

Sri Lanka's tourism sector recorded another year of milestone arrivals in calendar year 2025, welcoming 2,362,521 international visitors a 15.1% increase over the 2,053,465 who arrived in 2024 and the highest total since the country's pre-crisis peak. This was supported by strong source market growth, particularly from India, the United Kingdom, Russia, and several emerging European markets, as well as improvements in air connectivity and the continued visa liberalization program. Cumulative tourism revenue for 2025 reached approximately USD 3.22 billion, though this fell short of the USD 5 billion target, partly because a revised SLTDA survey indicated that per-tourist daily spending had declined to approximately USD 148 a factor that underscores the strategic imperative to attract higher-spending visitor segments, particularly to heritage and cultural destinations such as ours.

The Cultural Triangle, encompassing Sigiriya, Anuradhapura, and Polonnaruwa, sustained strong momentum during the peak season from December to April and continued to benefit from its UNESCO World Heritage status and growing global interest in heritage and experiential travel. The Government's national tourism target of three million arrivals for 2026 reflects this sustained optimism, even as external shocks reminded the industry of the fragility of travel demand.

Cyclone Ditwah: Impact on November Operations

In late November 2025, Cyclone Ditwah struck Sri Lanka with devastating force, bringing heavy flooding and landslides that killed over 640 people and caused more than USD 1.6 billion in damage to infrastructure the deadliest natural disaster in the country since the 2004 Indian Ocean tsunami.

UNESCO World Heritage sites, including the Knuckles Conservation Forest, Horton Plains, and Adam's Peak, faced trail closures and severe infrastructure damage. The iconic hill country railway a cherished tourism experience was severely damaged, with estimates of at least 18 months required for its full restoration.

While Sigiriya and the Cultural Triangle were not in the direct path of the cyclone's most severe impact, the nationwide disruption to road networks, airport access, and visitor confidence affected our operations adversely. The final weeks of November ordinarily a period of building peak-season momentum saw cancellations, reduced forward bookings, and significantly curtailed group arrivals. SLTDA data confirms that national tourism earnings for November 2025 declined 8.1% year-on-year to USD 251.6 million, with weekly arrivals falling sharply in the days immediately following the cyclone, from 56,267 in the last week of November to 43,976 in the first week of December.

We worked swiftly to reassure guests, maintain full operational readiness, and partner with our travel agency network to communicate that Sigiriya remained open, accessible, and welcoming. I am proud of the manner in which our team responded to this challenge: with calm professionalism and an unwavering commitment to our guests. The hotel's location within the dry zone meant that physical damage to our property was limited, and we were able to maintain continuity of operations throughout the period. Nevertheless, the lost November revenue during what should have been an improving period was a tangible impact on the full-year financial outcome.

Middle East Conflict: Impact on March Arrivals and Year-End Performance

The second major external shock of the year materialized in March 2026, as the escalating conflict involving the United States, Israel, and Iran severely disrupted air travel across the Middle East. The closure of key airspace and the suspension or cancellation of flights by major Gulf carriers which effectively severed the primary aviation corridor through which over 60% of Sri Lanka's long-haul tourists from Europe and North America travel to the island.

The impact was immediate and severe. Having delivered outstanding January arrivals of 277,327 (up 9.7% year-on-year) and February arrivals of 279,328 (up 16.2% year-on-year) at the national level, March 2026 saw arrivals plummet to 183,979 — a 19.8% decline versus March 2025. The daily average arrival rate collapsed by 40.5%, from approximately 9,976 per day in February to just 5,935 per day in March. The Tourism Development Authority estimated the financial impact on the industry at approximately USD 40 million for the month. This downturn occurred at what should have been the height of the peak season for the Cultural Triangle the months of February, March, and early April traditionally representing our highest occupancy periods.

For Sigiriya Village Hotels PLC, the compression of peak-season occupancy in March 2026 compounding the November disruption from Cyclone Ditwah had a measurable impact on our fourth-quarter revenue trajectory and operating profitability. European guests, who have historically constituted a significant portion of our guest profile, were among the most affected by the disruption to Gulf transit routes. We are actively working with our tourism partners, tour operators, and the industry at large to diversify our routing strategies, strengthen ties with the Indian market (which, benefiting from direct connectivity, demonstrated resilience with 47,533 arrivals in March alone), and accelerate marketing efforts in Asian source markets less dependent on Middle Eastern hubs.

Financial Performance

Against this backdrop of extraordinary external disruptions, I am pleased to report that Sigiriya Village Hotels PLC delivered a record revenue performance for the financial year ended 31st March 2026. Revenue grew to LKR 669.3 million, compared to LKR 522.2 million in the prior year, representing an increase of 28.2%. This follows the remarkable 73% revenue growth we achieved in 2024/2025, and reflects the cumulative benefit of our strategic investments, the full restoration of our room inventory, and our growing reputation as a destination of choice within the Cultural Triangle.

Gross profit for the year reached LKR 494.9 million, up from LKR 373.6 million in the prior year, representing a gross margin of 73.9%. Profit before taxation stood at LKR 82.6 million, compared to LKR 44.3 million in 2024/2025, an increase of 86.6%, reflecting the operating leverage in our business model as revenue scales. Profit for the year was LKR 43.4 million, compared to LKR 31.2 million, and basic earnings per share was LKR 0.48 (restated for the 1:10 share split effective from January 2026).

It is important to note that despite these record revenues, administration and other expenses also increased materially to LKR 370.6 million, reflecting higher staff costs, management fees, and the full-year impact of operating a restored 120 room inventory. Finance expenses declined significantly to LKR 27.9 million from LKR 55.0 million, as a result of loan restructuring and the step down in interest rates across the economy. Our balance sheet remains supported by total assets of LKR 1.13 billion, with equity of LKR 722.8 million. The Company's net debt to adjusted equity ratio stood at 47%, which management considers appropriate given our current capital investment cycle.

Revenue breakdown reflects the breadth of our offering. Rooms revenue grew to LKR 342.4 million (from LKR 249.3 million), while Restaurant and Beverage revenue increased to LKR 319.4 million combined (from LKR 266.8 million). The Ayurvedic Health Centre and other miscellaneous income streams contributed a further LKR 17.6 million, underscoring the value of our diversified revenue model.

Operations and Capital Investment

The refurbishment programme initiated in 2024/2025, which saw the restoration of 40 rooms across the Paddy Cluster at a cost of approximately LKR 70 million, was completed and fully operational throughout the current financial year. The Company now operates at full inventory capacity across its 120 rooms, a milestone that represents the completion of a multi-year restoration journey. Capital expenditure during 2025/2026 amounted to LKR 113.2 million (as evidenced in the cash flow statement), directed primarily towards Property, Plant and Equipment upgrades and the further enhancement of guest facilities to align with evolving international standards.

Our acquisition of additional shares in Imperial Hotels Ltd (formerly known as York Hotels (Kandy) Ltd), increasing our holding to 47.08% from 31.16%, reflects our confidence in the broader hospitality recovery across Sri Lanka's Cultural Triangle. This strategic investment, undertaken at a cost of LKR 112.0 million, deepens our presence in the region and creates synergies across our operations.

Our Guests and Market Diversity

Our guest profile continues to reflect the diversity of Sri Lanka's international appeal. European guests particularly from France, Germany, the United Kingdom, Italy, and the Netherlands remain an important segment, while Asian markets from China and Japan, as well as a growing Indian and expatriate clientele, have continued to deepen our market base. The resilience demonstrated by the Indian market during the March 2026 disruption underscores the strategic importance of continued investment in this segment.

The global travel shift towards authentic, sustainable, and experience-led tourism continues to favour our positioning. As a property immersed in the cultural and ecological heritage of Sri Lanka's ancient past with the Sigiriya Rock Fortress as our defining backdrop we are uniquely placed to serve the growing segments of heritage, wellness, and nature-based travellers. We will continue to invest in enriching the experiences we offer, from our Ayurvedic programmes to cultural excursions, ensuring that Sigiriya Village is not merely a hotel but a transformative destination.

Our People and Sustainability

The shortage of skilled hospitality professionals remains one of the most persistent structural challenges facing our industry, exacerbated by outward migration and intensifying global competition for talent. We have responded by deepening our investment in internal training, strengthening partnerships with hospitality institutions, and enhancing staff welfare programmes. Staff costs rose to LKR 114.1 million in 2025/2026 from LKR 90.7 million in the prior year, reflecting both higher headcount and deliberate investment in compensation and skills development.

Cyclone Ditwah brought into sharp relief the vulnerability of the broader tourism ecosystem to climate-related shocks. We are accelerating our focus on energy efficiency, renewable energy solutions, and resource management not only as a matter of sound operational practice but as a long-term investment in the sustainability and resilience of our business. We recognize that our guests increasingly expect their chosen destinations to operate with environmental consciousness, and we are committed to meeting and exceeding those expectations.

Board and Governance

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

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

Outlook

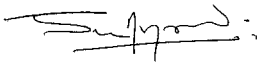
Looking ahead, there are clear grounds for measured optimism alongside continued vigilance. At the national level, Sri Lanka's target of three million tourist arrivals in 2026 remains achievable if the Middle East situation stabilizes, transit routes normalize, and demand from India and emerging Asian markets continues its upward trajectory. January 2026 arrivals of 277,327 (up 9.7%) and February arrivals of 279,328 (up 16.2%) demonstrated strong underlying demand before geopolitical disruption intervened. The recovery from these external shocks will require concerted effort by all stakeholders government, airlines, the travel trade, and hotel operators working in alignment.

For Sigiriya Village Hotels PLC, our priorities for the year ahead are clear: to grow revenue per available room through improved rate management, to accelerate the diversification of our source market base to reduce dependence on any single routing corridor, to deepen our Ayurvedic and wellness offering as a high-value differentiator, and to progress our sustainability agenda in a manner that is both genuine and commercially sound.

Gratitude

I take this opportunity to express my sincere gratitude to the members of the Board and the management team and all our staff for their dedication through what has been a demanding year one that required adaptability, professionalism, and resilience in the face of external shocks beyond our control. I thank our guests and travel partners, who placed their trust in us during a difficult season and returned to Sigiriya Village thank you. To our shareholders, whose continued patience and confidence in our long-term strategy sustains the foundation upon which we build, I am sincerely grateful. And to my fellow Board members, whose counsel and governance have been indispensable: your contribution to this Company is immeasurable.

Sigiriya Village Hotels PLC has navigated two of the most disruptive events in recent Sri Lankan tourism history in a single financial year, and yet has emerged with record revenues, a stronger balance sheet, and a clearer path forward. That speaks to the enduring power of our location, the quality of our offering, and the character of our people. It is from this foundation of resilience and purpose that we move forward into the year ahead.



S.D.R. Arudpragasam
Chairman

Sigiriya Village Hotels PLC
24th July 2026

BOARD OF DIRECTORS

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

Mr. S.D.R. Arudpragasam was appointed to the Board in 1990 and as Chairman in 2013. He was appointed as the Chairman of the Parent Company, The Colombo Fort Land & Building PLC (CFLB) with effect from 1st July 2022. He has been associated with the CFLB Group since 1982 and prior to such appointment, he held the position of Deputy Chairman on the Board of CFLB. Mr. Arudpragasam serves as Chairman of several subsidiaries of CFLB including, Lankem Ceylon PLC, C.W. Mackie PLC, C M Holdings PLC and Chairman / Managing Director of E.B Creasy Company PLC in addition to holding other Directorships within the CFLB Group.

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

Mr. S. Rajaratnam B.Sc., CA

Director

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

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

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

Director

Mr. Anushman Rajaratnam was appointed to the Board in April 2019. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Board of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm. He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from Massachusetts Institute of Technology, USA.

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

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

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

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

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

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

Mr. J. E. P. Kehelpannala
Director

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

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

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

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

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

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

COMPANY OVERVIEW

Financial Year 2025/2026

Company Overview

The financial year 2025/2026 marked a pivotal chapter for Sigiriya Village Hotels PLC—one characterised by resilience, recovery, and renewed momentum. Operating within a dynamic and competitive hospitality landscape, we successfully navigated ongoing economic challenges and evolving consumer behaviours to deliver strong results. Our steadfast commitment to operational excellence and guest satisfaction has reinforced our position as a preferred hotel at the forefront of the Cultural Triangle.

Financial Performance

We achieved a notable turnaround in financial performance during the year under review. Revenue rose sharply to LKR 669 million, reflecting a 28% increase from LKR 522 million in the previous year. This strong growth was driven by higher occupancy rates, optimised pricing, and enhanced service delivery. Significantly, we recorded a pre-tax profit of LKR 82 million, a complete reversal from the pre-tax loss of LKR 44 million in the prior year. This 86% swing in profitability underscores the success of our cost management, operational efficiency, and revenue optimisation strategies.

Rebranding Strategy

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

Operational Highlights

Aligned with our strategic focus on service excellence, we have invested in initiatives to enhance guest experiences and improve operational effectiveness. Key among these was the enhancement of human capital through comprehensive staff training programs designed to foster high-quality service standards. We also undertook upgrades to our infrastructure and amenities to meet the evolving expectations of our guests. These efforts translated into higher guest satisfaction scores and improved efficiency across all departments.

Market Trends and Outlook

The hospitality industry continues to evolve, shaped by changing traveller expectations, increasing digital integration, and a growing emphasis on experiential and sustainable tourism. While the market remains volatile, our outlook remains cautiously optimistic. We recognise that adaptability, data-driven strategies, and responsiveness to emerging trends will be essential in navigating the future. Consequently, we remain committed to real-time monitoring of macroeconomic and industry developments, ensuring continued agility and competitiveness.

Risks and Challenges

We remain vigilant to both external and internal risks that could impact performance. Key concerns include demand fluctuations resulting from global and regional economic shifts, potential regulatory changes, and increasing industry competition.

To mitigate these risks, we have reinforced our risk management framework through scenario planning, strengthened internal controls, and ongoing compliance monitoring, ensuring business continuity and safeguarding long-term value creation.

Conclusion

The 2025 /2026 financial year was marked by transformation, resilience, and achievement. We are proud of the progress we have made, particularly in restoring profitability, strengthening operations, and enhancing the guest experience. These accomplishments reflect the dedication of our employees, the loyalty of our guests, and the unwavering support of our stakeholders. As we look ahead, we remain committed to delivering excellence, embracing innovation, and driving sustainable growth across all aspects of our operations

ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

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

Principal Activities / Business Review

The principal activity of the Company is to carry on the business of a Tourist Hotel. The Chairman's Review together with the Financial Statements reflect the state of affairs of the Company.

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

Financial Statements

The Financial Statements of the Company are given on pages 45 to 48.

Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 42 to 44.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 49 to 55. The Company prepared its Financial Statements in accordance with Sri Lanka Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

Interest Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. These have been entered in the Interest Register which is maintained by the Company. The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director and the said transactions are disclosed in Note 34 'Related Party Transactions', on pages 68 to 69.

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

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

Directors' Interest in Shares

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

Details Pertaining to Directors direct shareholdings are set out Below:

Name of Director	As at 31.03.2026	As at 31.03.2025
Mr. Amrit Rajaratnam	230,000	23,000

Key Management Personnel Compensation

Key Management Personnel Compensation in respect of the Company for the financial year 2025/2026 is detailed in Note 34.3 to the Financial Statements on page 68.

Corporate Donations

Details pertaining to corporate donations made by the during the financial year 2025/2026 are given in Note 07 to the Financial Statements on page 57.

Directorate

The names of the Directors who held office during the financial year are given below. Brief profiles of the Directors who are Currently in office appear on pages 06 and 07.

Mr. S.D.R. Arudpragasam - Chairman - Non Executive

Mr. S. Rajaratnam - Non Executive

Mr. Amrit Rajaratnam - Non Executive

Mr. Anushman Rajaratnam - Non Executive

Mr. S. B. Perera - Independent Non Executive

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

Mr. A.S.G.S. Pieries - Non Executive
(Appointed w.e.f. 05.08.2025)

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

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

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

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

Corporate Governance

The Corporate Governance principals adhered by the Company are given on page 12 to 33.

Auditors

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

The Auditors, Messrs. B. R.De Silva & Co. were paid Rs. 1,100,000/- (2024/2025-1,000,000/-) as audit fees & fees for audit related services by the Company during the year under review. In addition, they were paid Rs. 165,000/- (2024/2025-Rs.139,150/-) by the Company for non audit related work which consisted mainly of tax related work.

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

Revenue

The revenue of the Company for the year was Rs. 669.3 Mn. (2024/2025-522.2 Mn)

Results

The Company made a Net Profit of Rs. 43.4 Mn. against the net profit of Rs. 31.1 Mn in the previous year. The detailed results are given in the Statement of Profit or Loss and other Comprehensive Income on page 45.

Property, Plant & Equipment

The capital expenditure during the year amounted to 148,551,395/- (Property, Plant & Equipment 2024/2025 - Rs.11,732,527/- . Information relating to movement in Property, Plant & Equipment are given in Note 10 to the Financial Statements on page 58.

Reserves

The total reserves of the Company as at 31st March 2026 amounted to Rs. 359Mn. (2024/2025-Rs. 363Mn.). The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Stated Capital

In compliance with the Companies Act No. 7 of 2007, the Financial Statements reflect the Stated Capital of the Company. The stated capital is the total of all amounts received by the Company in respect of the issue of shares. The Stated Capital of the Company as at 31st March 2026 was Rs. 363,722,215/- represented by 90,000,000 issued and fully paid Ordinary Shares.

Subdivision of Shares

An Ordinary Resolution pertaining to the Subdivision of Shares of the Company was carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 6th January 2026 and such Subdivision was effected based on the shareholding as at end of trading on 8th January 2026 (record date).

Accordingly, without actuating any increase to the Stated Capital of the Company, every one (01) existing issued ordinary share was subdivided into Ten (10) issued ordinary shares, thereby increasing the number of issued ordinary shares of the Company from Nine Million (9,000,000) to Ninety Million (90,000,000).

Taxation

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments subsequently by Inland Revenue (Amendment) Act No 10 of 2021 and (Amendment) Act No 45 of 2022 thereto. Relevant details have been disclosed in Note 8 to these Financial Statements.

Related Party Transactions

During the financial year there were no recurrent related party transactions which exceeded the disclosure thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. However the non recurrent Related Party Transactions which exceeded the aforesaid CSE thresholds have been disclosed in Note 34.5 on Page 69. The Related Party Transactions presented in the financial statements are disclosed in Note 34 on pages 68 to 69.

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

Share Information

Information relating to earnings, dividend, net assets are given on page 77 market value per share and share trading is given on page 75.

Events after the Reporting Date

No circumstances have arisen since the date of the Statement of Financial Position that would require adjustments to or disclosure in the Financial Statements other than the those disclosed in Note 32 on page 68.

Capital Commitments and Contingent Liabilities

Capital expenditure commitments and contingent liabilities as at the date of the Statement of Financial Position have been disclosed in the respective notes to the Financial Statements.

Employment Policy

The Company's recruitment and employment policy is nondiscriminatory. Number of persons employed by the Company at the year end was 143 (2025-144). There are no material issues pertaining to staff or industrial relations arising from the year under review.

Shareholders

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

Statutory Payments

The Directors to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government have been made or where relevant, provided for.

Environmental Protection

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

Internal Control

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

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

The Company does not have any material litigations that are pending other than those disclose in Note 33 to the Financial Statements in this Annual Report.

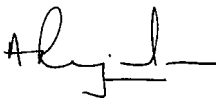
Going Concern

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

For and on behalf of the Board



Amrit Rajaratnam
Director



Anushman Rajaratnam
Director

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



Secretaries
Colombo

24th July 2026

CORPORATE GOVERNANCE

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

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

THE BOARD OF DIRECTORS

The Board, Composition & Meetings

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

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

Mr. S.D.R. Arudpragasam - Chairman - Non Executive

Mr. S. Rajaratnam - Non Executive

Mr. Amrit Rajaratnam - Non Executive

Mr. Anushman Rajaratnam - Non Executive

Mr. S. B. Perera - Independent Non Executive

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

Mr. A.S.G.S. Pieries - Non Executive Director
(Appointed w.e.f. 05.08.2025)

Independent Non Executive Directors

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

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

Decision Making of the Board

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

The number of Meetings of the Board and the individual attendance by members is shown below.

Total number of Meetings held : 5

Name of Director	Directorship Status	Board Meetings Attended
Mr. S.D.R. Arudpragasam Chairman -	Non-Executive	5/5
Mr. S. Rajaratnam	Non Executive	4/5
Mr. Amrit Rajaratnam	Non Executive	3/5
Mr. Anushman Rajaratnam	Non Executive	2/5
Mr. S. B. Perera	Independent Non Executive	5/5
Mr. J.E.P. Kehelpannala	Independent Non Executive	5/5
Mr. A.S.G.S. Pieries	Non Executive	3/3

The Board is responsible for:

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

- Any other matter which is important to ensure that the Company conducts its business in the best interest of all stakeholders.
- Ensuring compliance with the company policies.
- The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes, particularly to the Listing Rules and applicable Capital Market Provisions.

Chairman's Role

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

- The effective participation of Directors.
- Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.
- Ascertains the views of Directors on issues under consideration.

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

Financial Acumen

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

Directors other Directorships

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or key management personnel is present on pages 28 to 33.

Company Secretaries and Independent Professional advice

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

Supply of Information

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

Nomination and Governance Committee and Appointments to the Board

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

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

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

The Nomination and Governance Committee Report is set out on pages 37 to 38 of this Report.

Re-election of Directors/ Re-appointment of Directors

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

Fit and Proper Assessment

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

DIRECTORS REMUNERATION

Remuneration Committee

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

The Remuneration Committee Report is set out on page 36 of this Report.

RELATIONSHIP WITH SHAREHOLDERS

Constructive use of the Annual General Meetings / General Meetings

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

The policy on relations with Shareholders and Investors is available on the Company's website ***https://sigiriya-village.com*** where the contact persons are also provided. Major issues and concerns are informed to board by the senior management and the corporate secretaries.

Major Transactions

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

Disclosures

The Annual Report of the Board of Directors is given on pages 09 to 11 in this Report. The Auditors' Report on the Financial statements is given on pages 42 to 44 of the Report.

Compliance with Legal Requirements

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

Internal Control

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

It includes all controls including financial, operational and compliance controls and risk management. However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

The Board of Directors have ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried in accordance with Sri Lanka Accounting Standards and Regulatory requirements.

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

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 16 to 27.

Company Policies

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

- Matters relating to the Board of Directors.
- Board Committees.
- Corporate Governance, Nominations and Re-election.
- Remuneration.
- Internal Code of Business Conduct and Ethics.
- Risk Management and Internal Controls.
- Relations with shareholders and investors.
- Environmental, Social and Governance (ESG) sustainability.
- Control and Management of Company Assets and Shareholder Investments.
- Corporate Disclosures.
- Whistleblowing.
- Anti-Bribery and Corruption.

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

Audit Committee

The Audit Committee Report is set out on page 34 of this report.

Related Party Transactions Review Committee

The Related Party Transactions are disclosed in Note 34.5 on page 69.

The Related Party Transactions Review Committee Report is set out on page 40 of this Report.

Material Foreseeable Risk Factors

The Board of Directors has the overall responsibility for establishing and overseeing of the Company's risk engagement framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive environment in which all employees understand their roles and responsibilities.

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

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

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

Rule	Adherence	
9.4 ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS		
9.4.1 Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting		
	(a) The number of shares in respect of which proxy appointments have been validly made;	Complied
	(b) The number of votes in favour of the resolution;	
	(c) The number of votes against the resolution; and	
	(d) The number of shares in respect of which the vote was directed to be abstained.	
9.4.2 Communication and relations with shareholders and investors		
	a) Have a policy on effective communication and relations with shareholders and investors	Complied
	b) Disclose the contact person for such communication.	
	c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders	
	d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	
9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS		
9.5.1 Establish and maintain formal policy governing matters relating to the Board		
	a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO	a) Complied
	b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID	Not Applicable
	c) Board diversity – experience, skills, competencies, age, gender, industry requirements	Complied
	d) Maximum number of Directors and rationale	
	e) Frequency of Board meetings	
	f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance	
	g) Specify the minimum number of meetings, in numbers and percentage, that a director must attend,	
	h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements	
	i) Specify the maximum number of directorships in Listed Entities that may be held by Directors.	
	j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non-compliant provide explanations with reasons and proposed remedial action.	
9.6 CHAIRPERSON AND CEO		
9.6.1	Chairperson shall be a Non-Executive Director	Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Not Applicable
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable

Rule	Adherence	
9.6.3 The Requirement for a SID		
	(a) Appoint of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable
9.7 FITNESS OF DIRECTORS AND CEOS		
9.7.1	a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper prior to such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3		
	a) Honesty, Integrity and Reputation – (i)-(vii) b) Competence and Capability –(i)-(ii) c) Financial Soundness –(i)-(iii)	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5 Disclosures in the Annual Report		
	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	Complied
	(b) Any non-compliance/s and remedial action taken to rectify non compliance	Not Applicable
9.8 BOARD COMPOSITION		
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors:	
	(a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied

Rule	Adherence	
9.8.3	**Criteria for determining independence**	
	A Director shall not be considered independent if he/she:	Complied.
	(i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director	
	(ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly.	
	(iii) Currently has/had during the preceding financial year a close Family Member who is a director and/ or CEO in the Listed Entity.	
	(iv) Has a Significant Shareholding in the Listed Entity.	
	(v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment.	
	(vi) Is employed in another Company or business; a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection.	
	(vii) Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding.	
	(viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity.	
	(ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and the requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	
9.8.5	**The Board of Directors of Listed Entities shall require:**	
	(a) Each Independent Director to submit a signed and dated declaration annually	Complied
	(b) Make an annual determination as to the "independence" of Independent Director and set out the names of Directors determined to be 'independent' in the Annual Report.	Complied
	(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Not applicable

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

Rule	Adherence	
9.11 NOMINATIONS AND GOVERNANCE COMMITTEE		
9.11.1	Establishment of Nominations and Governance Committee	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	Written Terms of Reference	Complied
9.11.4 Composition		
	(1) The members of the Nominations and Governance Committee shall;	Complied
	(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.	
	(b) Not comprise of Executive Directors of the Listed Entity	
	(2) An Independent Director shall be appointed as the Chairperson	Complied
	(3) Identify Members in the Annual Report	Complied
9.11.5 Functions		Complied
	(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees	
	(ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors	
	(iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re- appoint Directors	
	(iv) Establish and maintain a set of criteria for selection of Directors	
	(v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.	
	(vi) Develop a succession plan for the Board of Directors and Key Management Personnel	
	(vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities	
	(viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices.	
	(ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.	
	(x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
9.11.6 Disclosures in Annual Report		
	Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied

Rule	Adherence	
9.12 REMUNERATION COMMITTEE		
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	Refer Page 12 to 15 of the Corporate Governance Report and the Remuneration Committee Report on Page 36
9.12.2	Establishment of Remuneration Committee	
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5	Written terms of reference	
9.12.6 Composition		
	(1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) Where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson.	Refer Page 12 to 15 of the Corporate Governance Report and the Remuneration Committee Report on Page 36
9.12.7 Functions		
	(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	
9.12.8 Disclosure in Annual Report		
	a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members; (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	Refer the Remuneration Committee Report on page 36 and Note 34.3 to the Financial Statements
9.13 AUDIT COMMITTEE		Refer Audit Committee Report
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied
9.13.2	Written terms of reference	Complied
9.13.3 Composition		
	(1) The members of the Audit Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity	Complied
	(2) Quorum - requires that the majority of those in attendance to be independent directors.	Complied
	(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied

Rule	Adherence	
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Other Directors together with senior Officers of the Managing Agent, York Hotel Management Services Ltd attend by invitation
	(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4 Functions		
	Detailed in Rule (1) (i) –(xiii) and (2)	Complied
9.13.5 Disclosures in Annual Report		
	Audit Committee Report (a) Names of chairperson and members with nature of directorship (b) Status of risk management and internal control – Company and group (c) Statement on CEO and CFO assurance on operations and finances (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. (e) Availability of formal Audit Charter (f) Internal audit assurance and summary of the work internal audit function (g) Details demonstrating effective discharge of functions and duties (h) Statement on external auditors' assurance on their independence (i) Confirmation on determining auditor's independence	Refer Audit Committee Report
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE		Refer Related Party Transactions Review Committee Report
9.14.1. Establishment of Committee		
	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2 Composition		
	(1) The Related Party Transactions Review Committee shall comprise of; - Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors - May comprise of Executive Directors - An Independent Director shall be appointed as the Chairperson	Complied
9.14.3 Functions		
	(1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations	Complied

Rule	Adherence	
9.14.4 General Requirements		
	(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Complied
	(2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary.	
	(3) Board of Directors to approve RPT when required by the committee	
	(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) Be present while the matter is being considered at the meeting; and, (b) Vote on the matter.	Not Applicable
9.14.5 Review of Related Party Transactions by the Related Party Transactions Review Committee		Complied
9.14.6 Shareholder Approval		
	1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. a) Non-recurrent transaction i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates b) Recurrent transaction (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.	Not Applicable
9.14.7 Disclosures		
	(1) Immediate Disclosures	
	A Listed Entity shall make an immediate Market Announcement to the Exchange	

Rule	Adherence	
	(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or	Disclosures were duly made where necessary
	(b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.	
	Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.	
	Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.	
9.14.8 Disclosures in the Annual Report		Disclosures were duly made where necessary. Please refer note 34 to the financial statements.
9.14.9 Acquisition and Disposal of Assets From/to Related Parties		
	1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)]	Not Applicable
	2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets.	
	(3) Rule 9.14.9(1) does not apply to:	
	a) Transactions between the Listed entity and a wholly owned subsidiary.	
	b) Transaction between wholly owned subsidiaries of the Listed Entity.	
	c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended).	
	d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business.	
	(4)	
	a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration.	
	b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.	
	(5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval	
	(6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include:	
	a) Key assumptions, conditions or restrictions that impact the estimate value.	
	b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation.	
	c) Sources of information relied upon for the valuation.	
	d) Identity of individuals participating in the valuation assignment and their qualifications.	
	e) Confirmation of the independence of the parties participating in the advice.	
	f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.	

Rule	Adherence	
9.14.10 Exempted Related Party Transactions		
	(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public.	Complied
	(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.	
	(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).	
	(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.	
	(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.	
	(f) Directors' fees and remuneration, and employment remuneration	
9.15 PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS		Not Applicable
	A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2	Not Applicable
	B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market: - If non-compliance is rectified: (a) - (b) - If non-compliance is not rectified: (c) - (e)	
9.17 ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS		
	(i) Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested	Complied Refer Annual Report of the Board of Directors and Corporate Governance Report
	(ii) Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so;	
	(iii) Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;	
	(iv) Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	

Rule	Adherence	
9.18 ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS		
	a) Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1),9.11.4(2), 9.12.6, 9.13.3(1),9.13.3(4),9.13.3(6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules. b) The non-compliance must be rectified within three (03) months from the date of non-compliance. c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.. d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored—whichever is earlier. e) Upon being placed on the Watch List, the Entity must make a Market Announcement including: -The remedial action proposed within six (06) months. -The following statements: i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting. g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made. h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer. i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed. j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance. k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3. l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC."	Not Applicable

Details in Respect of Directors

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

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

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. Anushman Rajaratnam		Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. S.B. Perera		Mr. J.E.P. Kehelpannala		Mr. A.S.G.S. Pieries (Appointed w.e.f 05.08.2025)	
Sigiriya Village Hotels PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
The Colombo Fort Land and Building PLC	✓	C/NE	✓	GMD/EX	✓	NE	✓	NE	✓	INE				
Agarapatana Plantations PLC*	✓	C/NE	✓	NE					✓	INE				
C M Holdings PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
E.B. Creasy & Company PLC*	✓	C/MD/EX			✓	JMD/EX			✓	INE				
Kotagala Plantations PLC*	✓	C/NE	✓	NE					✓	INE				
Lankem Ceylon PLC*	✓	C/NE	✓	EX					✓	INE				
Lankem Developments PLC*	✓	C/NE	✓	NE					✓	INE				
Laxapana PLC*	✓	C/NE			✓	NE			✓	INE				
Marawila Resorts PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
Muller & Phipps (Ceylon) PLC*	✓	C/NE			✓	NE			✓	INE				
Beruwala Resorts PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE	✓	NE
York Arcade Holdings PLC *	✓	C/NE	✓	NE	✓	NE	✓	NE						
J.F. Packaging PLC* (Consequent to the Initial Public offering, the Company changed its name from J.F. Packaging Limited to J.F Packaging PLC with effect from 09.01.2026)	✓	C/NE	✓	NE					✓	INE				
C W Mackie PLC*	✓	C/NE	✓	NE	✓	NE			✓	INE				
ACME Printing & Packaging PLC*	✓	NE	✓	NE										

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Colombo Fort Investments PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
Colombo Investment Trust PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE						
ACME Packaging Solutions (Pvt) Limited*	✓	D	✓	D										
Alliance Five (Private) Limited*	✓	C	✓	D										
American Lloyd Travels Limited*	✓	D	✓	D	✓	D	✓	D						
Associated Farms (Private) Limited*	✓	C												
B.O.T. Hotel Services (Private) Limited*	✓	C			✓	D	✓	D						
C. F. Travels Limited*					✓	D	✓	D						
C. W. M. Hotels Holdings Limited	✓	D	✓	D										
Candy Delights Limited*	✓	C/MD			✓	JMD								
Capital Finance Limited			✓	D	✓	D								
Capital Investments Limited*	✓	D												
Capital Leasing Company Limited*	✓	C	✓	D										
Century Equity Trust Limited	✓	D												
Ceyflex Rubber Limited*	✓	C			✓	D								
Ceylon Tapes (Private) Limited*	✓	C	✓	D					✓	D				
Ceytape (Private) Limited*	✓	C	✓	D										
Colombo Fort Group Services (Pvt) Limited*	✓	D	✓	D										
Colombo Fort Holdings Limited*	✓	D			✓	D								
Colombo Fort Hotels Limited*	✓	C	✓	D	✓	D	✓	D						
Colombo Fort Properties (Private) Limited*			✓	D										
Colombo Fort Travels Limited*	✓	D			✓	D	✓	D						
Colombo Residencies (Private) Limited	✓	D												
Colonial Motors (Ceylon) Limited*	✓	C/NE	✓	D	✓	D								
Company Holdings (Private) Limited	✓	D			✓	D								

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Consolidated Commercial Investments (Private) Limited			✓	D	✓	D	✓	D						
Consolidated Holdings (Private) Limited	✓	D	✓	D										
Consolidated Tea Plantations Limited*	✓	D	✓	D					✓	D				
Consolidated Trust (Private) Limited			✓	D										
Corporate Systems Limited*	✓	C			✓	D								
Creasy Plantation Management Limited*	✓	D												
Darley Butler & Company Limited*	✓	C/MD			✓	JMD								
E B Creasy Ceylon (Private) Limited*	✓	C			✓	D								
E. B. Creasy Logistics Limited*	✓	C			✓	D								
E.B. Creasy Trading Limited*	✓	D			✓	D								
E.B. Creasy Milk Food Limited* (Striking off in progress)	✓	C			✓	D								
Far Eastern Exports (Colombo) Limited*	✓	D	✓	D			✓	D						
Financial Trust Limited			✓	D	✓	D	✓	D						
Fortland Finance Limited	✓	C			✓	D								
Galle Fort Hotel (Private) Limited*	✓	D	✓	D	✓	D	✓	MD						
Guardian Asset Management Limited*	✓	D			✓	D								
Great Eastern Resorts Ltd			✓	D	✓	D	✓	D						
Group Three Associates (Private) Limited*	✓	C			✓	D								
Horton Plains Resorts and Spa Limited			✓	D			✓	D						
Imperial Hotels Limited*	✓	C	✓	D	✓	D	✓	D						
JF Ventures Limited*	✓	C	✓	D										
Kiffs (Private) Limited*	✓	C	✓	D										
Lake Investments (Private) Limited							✓	D						
Lanka Special Steels Limited*	✓	C			✓	D								

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Lankem Agrochemicals Limited*	✓	C	✓	D							
Lankem Cargo Storage Limited*	✓	D	✓	D							
Lankem Chemicals Limited* (Striking off in progress)	✓	C	✓	D							
Lankem Consumer Products Limited* (Striking off in progress)	✓	C	✓	D							
Lankem Exports (Private) Limited*	✓	C									
Lankem Minerals Limited*	✓	D	✓	D							
Lankem Paints Limited*	✓	C	✓	D							
Lankem Plantation Services Limited*	✓	D									
Lankem Research Limited* (Striking off in progress)	✓	C	✓	D							
Lankem Tea & Rubber Plantations (Pvt) Limited*	✓	C	✓	D							
Lankem Technology Services Limited* (Striking off in progress)	✓	C									
Maitland & Knox (Private) Limited	✓	D	✓	D	✓	D	✓	D			
Mayfield Investments (Private) Limited			✓	D							
Motor Mart Ceylon (Private) Limited* (Striking off in progress)	✓	D	✓	D	✓	D					
Muller & Phipps (Health Care) Limited*	✓	C			✓	D					
Nature's Link Limited*	✓	C									
Nutriklim (Ceylon) Limited	✓	D			✓	D					
Oakley Investments (Private) Limited	✓	D	✓	D	✓	D	✓	D			
Property and Investment Holdings (Private) Limited	✓	D	✓	D	✓	D	✓	D			
Rubber & Allied Products (Colombo) Limited*	✓	C	✓	D							
Sherwood Holidays Limited*	✓	C			✓	D	✓	D			
Sigiriya Resorts Limited			✓	D	✓	D	✓	D			
SunAgro Farms Limited*	✓	C	✓	D							
SunAgro LifeScience Limited*	✓	C	✓	D							

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Sunrise Resorts Limited			✓	D	✓	D	✓	D						
Teacom (Private) Limited*	✓	C	✓	D			✓	D						
Transways (Private) Limited*			✓	D	✓	D	✓	D						
Tropical Beach Resorts Limited			✓	D	✓	D	✓	D						
Tulsi Investments (Private) Limited	✓	D												
Udaveriya Plantations Limited	✓	D	✓	D										
Unicom Clearing and Forwarding (Private) Limited*	✓	C	✓	D			✓	D						
Union Commodities (Private) Limited*	✓	C	✓	MD			✓	D					✓	D
Union Commodities Exports (Pvt) Limited*	✓	C	✓	D			✓	D						
Union Commodities Teas (Pvt) Limited*	✓	C	✓	D			✓	D						
Union Group (Private) Limited*	✓	D	✓	D										
Union Investments (Private) Limited*	✓	D	✓	D	✓	D								
Vanya Safaris (Private) Limited							✓	D						
Villa Investments (Private) Limited					✓	D								
Voyages Ceylan (Private) Limited*			✓	D	✓	D	✓	D						
Waverly Power (Private) Limited*	✓	C	✓	D	✓	D	✓	D						
Weligama Hills Limited	✓	D	✓	D										
York Conventions (Private) Limited			✓	D	✓	D	✓	D						
York Hotel Management Services Limited*	✓	C	✓	D	✓	D	✓	MD					✓	D
York Tours Limited*			✓	D	✓	D	✓	D						
Sterling Steels (Pvt) Limited*	✓	C			✓	D								
Kelani Valley Canneries Limited*			✓	D										
Sunquick Lanka (Pvt) Limited*			✓	D										
Sunquick Lanka Properties (Pvt) Limited*			✓	D										
Cambodian Rubber Plantation Industries PTE Ltd			✓	D			✓	D						

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. Anushman Rajaratnam		Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam		Mr. S.B. Perera		Mr. J.E.P. Kehelpannala	Mr. A.S.G.S. Pieries (Appointed w.e.f 05.08.2025)
Consolidated Rubber Plantations PTE Ltd		✓	D		✓	D				
Lanka Agro Plantations PTE Limited		✓	D		✓	D				
Fintrex Finance PLC							✓	NE		
Teejay Lanka PLC							✓	INE		
Teejay Lanka Prints (Private) Limited							✓	D		
Nubian Threads (Private) Limited							✓	C		

Notes:

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

FOCUS OF AUDIT COMMITTEE

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

COMPOSITION

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

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

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

Mr. S. Rajaratnam - Member - Non Executive Director

(Resigned as a Member w.e.f. 15.08.2025)

Mr. A.S.G.S. Pieries - Member - Non Executive Director

(Appointed as a Member w.e.f. 16.08.2025)

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

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

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

MEETINGS AND ATTENDANCE

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

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

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

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

Other Directors together with senior officers of York Hotel Management Services Ltd, Managing Agent attend by invitation as and when required,

The proceedings of the Audit Committee are regularly reported to the Board.

TERMS OF REFERENCE

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

a) Risk Management.

b) Efficiency of the system of internal controls.

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

d) Appropriateness of the principal accounting policies used.

e) Financial Statement integrity.

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

ROLE OF THE AUDIT COMMITTEE

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

RISK MANAGEMENT, INTERNAL CONTROL AND FINANCIAL REPORTING

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

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

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

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

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

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

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

INTERNAL AUDITS

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

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

EXTERNAL AUDIT

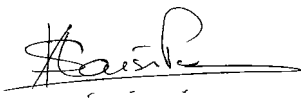
The Company has appointed B.R. De Silva & Company as its External Auditors and the services provided by them are segregated between audit/ assurance services and other advisory services such as tax consultancy.

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

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

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

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



S. B. Perera
Chairman

24th July 2026

REPORT OF THE REMUNERATION COMMITTEE

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

COMPOSITION

The Remuneration Committee of Sigiriya Village Hotels PLC comprised of the following members:

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

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

Mr. S. Rajaratnam - Member - Non Executive Director

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

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

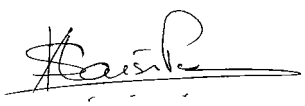
MEETINGS AND ATTENDANCE

The Committee met on one occasion during the financial year.

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

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

The aggregate value of the Directors' Fees paid for the financial year ended 31st March 2026 is given in the Note 34 to the Financial Statements.



S. B. Perera
Chairman
24th July 2026

REPORT OF THE NOMINATIONS & GOVERNANCE COMMITTEE

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

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

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

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

COMPOSITION

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

Mr. S. B. Perera - Chairman - Independent Non Executive Director (Appointed on 01/01/2025)

Mr. J. E. P. Kehelpannala - Member- Independent Non Executive Director (Appointed on 01/01/2025)

Mr. S. Rajaratnam - Member- Non Executive Director (Appointed on 01/01/2025)

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

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

MEETING ATTENDANCE

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

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

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

PURPOSE OF THE COMMITTEE

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

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

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

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

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

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

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

The newly appointed Directors were briefed on the structure, processes and resources of the Company and the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations. Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Directors and special meetings of the Board are held when the need arises to address such matters.

RE-APPOINTMENTS/RE-ELECTIONS

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

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

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

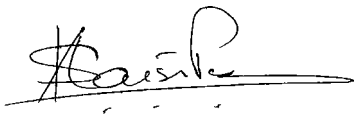
The Directors coming up for re-election or reappointment do not have any close family relationship with the directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder.

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

Board Member	Date first appointed Director	Date last re-appointed/ re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the directors of Sigiriya Village Hotels PLC, the Company or its shareholders holding more than ten per-centum (10%) of the shares of Sigiriya Village Hotels PLC (SIGV)
Mr. S. D. R. Arudpragasam *Chairman* (Non- Executive)	13.02.1990	15.07.2025		Mr. S. D. R. Arudpragasam is a Director of Colombo Fort Hotels Ltd which hold 51.00% of equity in SIGV as at 31.03.2026
Mr. Amrit Rajaratnam *Director* (Non- Executive)	05.03.2012	22.09.2023		Mr. Amrit Rajaratnam is a Director of Colombo Fort Hotels Ltd which hold 51.00% of equity in SIGV as at 31.03.2026
Mr. Sanjeev Rajaratnam *Director* (Non-Executive)	18.10.2010	20.09.2024	Nominations & Governance Committee Remuneration Committee	Mr. Sanjeev Rajaratnam is a Director of Colombo Fort Hotels Ltd which hold 51.00% of equity in SIGV as at 31.03.2026
Mr. A.S.G.S Pieries (Non-Executive)	05.08.2026		Audit Committee, Related Party Transactions review Committee	

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid directors coming up for re- election or reappointment and of the rest of the Board members of Sigiriya Village Hotels PLC are given in their profiles on pages 6 and 7 and under the caption "Details of Directors other Directorships" appearing on pages 28 to 33.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met by the Listed Entity. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 14 to 23.



S. B. Perera
Chairman

24th July 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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

COMPOSITION

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

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

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

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

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

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

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

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

MEETINGS OF THE COMMITTEE

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

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

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

The RPTRC has reviewed and recommended to the Board for approval, Related Party Transactions during the financial year under reviews in a manner consistent with the Listing Rules and the activities views comments and observations of the Committee are communicated on a regular basis to the Board of Directors. The Committee is free to seek external professional advice on matters within their purview when necessary.

POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

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

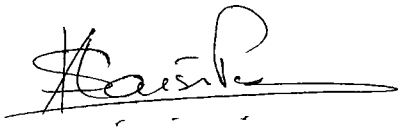
Functions of the Committee

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

CONCLUSION

The Board declares that all Related Party Transactions during the financial year ended 31st March 2026 are disclosed in Note 34.5 to the Financial Statements.

The Company has complied with the requirements of Section9.14 of the CSE Listing Rules on Related Party Transactions.



S. B. Perera
Chairman

24th July 2026

INDEPENDENT AUDITORS' REPORT

B.R.DE SILVA & CO.
Chartered Accountants

A member of Nexia International

TO THE SHAREHOLDERS OF SIGIRIYA VILLAGE HOTELS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Sigiriya Village Hotels PLC ("the Company"), which comprise the Statement of Financial Position as at 31st March 2026, and the 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 give a true and fair view of the financial position of the company as at 31st March 2026, and its 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 Company 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 judgement, 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. In addition to the matter described in the Basis for Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was Addressed
1. Recognition of Revenue	Our Audit procedures included the following procedures,
Revenue of the Company for the year ended 31st March 2026 was Rs. 669,321,590.	We reviewed the Company's Accounting Policies in respect of revenue recognition and found them to be in compliance with the Sri Lanka Accounting Standards.
Company's revenue is disclosed in note No. (04) and related accounting policies are disclosed in Note No. (3.11.1) to the Financial Statements.	Assessed whether the Company's accounting policy for revenue recognition has been complied with.
We considered revenue as a key audit matter due to its high volume, and complexity.	Evaluated the design and operating effectiveness of key controls.
	Performed analytical review procedures to assess whether the recognized revenue was in line with the expected level.
	Tested invoices raised to Customers on a sample basis, to ensure revenue is recognized and measured in accordance with the contractual terms of the contracts and the Company's accounting policies.

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

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Web : www.brdesilva.com

Key Audit Matter	How the matter was Addressed
	Carried out substantive testing in respect of revenue cut off around the year end date.
	We assessed the adequacy of the disclosures made in the Financial Statements.
2. Transactions with Related Parties	Our Audit procedures included,
Related party balances and transactions of the Company are disclosed in Notes (18), (30) & (34) to the Financial Statements.	Evaluated the process established by the management in identifying and reporting of related party transactions.
The Company is engaged in related party transactions during the ordinary course of business. A considerable part of interest income, interest expenses, other recurring expenditure and capital expenditure are channelled through related Companies.	Reviewed the reports of the related party transactions review committee.
Due to the inherent risk attached to related party transactions we considered this as a key audit matter.	We read contracts and agreements with related parties to understand the nature, terms and conditions of the transactions.
	Reviewed a sample of transactions held and ensured that transactions are taken place on arm's length basis.
	Critically examined the accuracy of intercompany reconciliations carried out by the management on a quarterly basis.
	Checked the adequacy of disclosures made in relation to related party transactions.

Other information

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

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, to examine whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company'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 the Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company'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 Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with (SLAuSs), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material 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 Company's internal control.

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

- Conclude on the appropriateness of 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 Company'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 Company to cease or 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

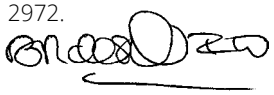
We also provide those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as it appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2972.



B. R. DE SILVA & CO.

Chartered Accountants

Colombo 05.

24th July 2026

SB/CY/as

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2026	2025
		Rs.	Rs.
Revenue	(4)	**669,321,590**	522,227,607
Cost of Sales		**(174,440,351)**	(148,630,646)
Gross Profit		**494,881,239**	373,596,961
Other Operating Income	(5)	**23,850,671**	15,339,807
Marketing & Promotional Expenses		**(31,397,411)**	(27,464,049)
Administration Expenses		**(370,629,299)**	(264,580,850)
Finance & Other Expenses	(6)	**(27,864,377)**	(54,999,939)
Share of Loss from Associate		**(6,217,371)**	2,361,003
Profit before Taxation	(7)	**82,623,452**	44,252,933
Income Tax	(8)	**(39,190,429)**	(13,098,454)
Profit for the Year		**43,433,023**	31,154,479
Other Comprehensive Income			
Items that will not be Reclassified Subsequently to the Profit or Loss			
Actuarial Gain/(Loss) on Defined Benefit Plan		**237,417**	(623,894)
Tax Impact on Actuarial Loss / (Gain) on Retirement Benefit Obligations		**(71,225)**	187,168
Gain / (Loss) on Financial Assets measured at Fair Value through other Comprehensive Income		**(20,650,149)**	280,415,827
Total other comprehensive Income for the Year		**(20,483,957)**	279,979,101
Total Comprehensive Income for the Year		**22,949,066**	311,133,580
Earnings per Share	(9)	**0.48**	3.46

The notes to the Financial Statements from pages (56) to (74) form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2026	2025
		Rs.	Rs.
NON-CURRENT ASSETS			
Property, Plant and Equipment	(10)	**513,020,159**	426,256,032
Right of Use Asset	(11)	**16,792,974**	18,044,623
Investment Property	(12)	**24,406,560**	24,406,560
Investment in Associates	(13)	**192,606,599**	86,790,969
Financial Assets	(14)	**106,919,310**	129,769,459
		853,745,602	685,267,643
CURRENT ASSETS			
Inventories	(15)	**21,200,745**	14,301,776
Trade & Other Receivables	(16)	**74,835,565**	64,865,299
Amounts due from Related Parties	(17)	**170,545,300**	217,380,409
Short Term Investment	(18)	**79,136**	193,975,757
Cash and Cash Equivalent	(19)	**13,392,775**	9,960,129
		280,053,521	500,483,370
TOTAL ASSETS		**1,133,799,123**	1,185,751,013
EQUITY & LIABILITIES			
CAPITAL & RESERVES			
Stated Capital	(20)	**363,722,215**	363,722,215
Revaluation Reserve		**38,535,660**	38,535,660
Reserve on FVTOCI Financial Assets	(21)	**52,312,201**	72,962,350
Retained Earnings	(22)	**268,187,155**	251,587,940
		722,757,231	726,808,165
NON- CURRENT LIABILITIES			
Retirement Benefit Obligations	(23)	**23,689,570**	21,593,570
Deferred Tax	(24)	**30,651,233**	5,038,039
Interest Bearing Borrowings	(25)	**106,568,340**	112,258,202
Lease Liability	(26)	**21,149,423**	25,755,948
		182,058,566	164,645,759
CURRENT LIABILITIES			
Interest Bearing Borrowings	(25)	**41,900,000**	32,380,000
Lease Liability	(26)	**3,959,628**	160,617
Trade & Other Payables	(27)	**123,357,130**	151,007,108
Income Tax Payable	(28)	**530,272**	530,272
Amounts due to Related Parties	(29)	**392,950**	13,687,487
Bank Overdrafts	(30)	**58,843,346**	96,531,605
		228,983,326	294,297,089
TOTAL EQUITY & LIABILITIES		**1,133,799,123**	1,185,751,013

The notes to the Financial Statements from pages (56) to (74) form an integral part of these Financial Statements. Figures in brackets indicate deductions.

These financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

R. Ketheeswaran
Chief Financial Officer

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

Amrit Rajaratnam
Director

Anushman Rajaratnam
Director

Colombo
24th July 2026

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2026	Stated Capital	Revaluation Reserve	Reserve on FVTOCI Financial Assets	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.04.2024	363,722,215	38,535,660	38,826,561	(25,409,851)	415,674,585
Profit for the year	-	-	-	31,154,479	31,154,479
Other Comprehensive Income for the year	-	-	280,415,827	(623,894)	279,791,933
Tax Impact on Actuarial Loss / (Gain) on Retirement Benefit Obligations	-	-	-	187,168	187,168
Re-Classification of fair value reserve on disposal of shares			(246,280,038)	246,280,038	-
Balance as at 01.04.2025	363,722,215	38,535,660	72,962,350	251,587,940	726,808,165
Profit for the year	-	-	-	43,433,023	43,433,023
Other Comprehensive Income for the year	-	-	(20,650,149)	237,417	(20,412,732)
Dividend Paid	-	-	-	(27,000,000)	(27,000,000)
Tax Impact on Actuarial Loss / (Gain) on Retirement Benefit Obligations	-	-	-	(71,225)	(71,225)
Balance as at 31.03.2026	**363,722,215**	**38,535,660**	**52,312,201**	**268,187,155**	**722,757,231**

The notes to the Financial Statements from pages (56) to (74) form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2026	2026	2025
	Rs.	Rs.
Net Profit before Taxation	**82,623,452**	44,252,933
Adjustment for Non Cash Items		
Depreciation	**19,634,939**	13,523,445
Amortization of Right of Use Asset	**1,251,650**	1,251,650
Reversal of Impairment of Trade Receivables	**(2,861,728)**	-
Provision for Retirement Benefit Obligations	**5,091,317**	3,981,373
Asset Disposal Loss	**4,193,629**	-
Interest Expenses	**22,804,414**	54,023,173
Exchange loss	**365,262**	-
Share of Profit of Investment in Associates	**6,217,371**	(2,361,003)
	56,696,854	70,418,638
Operating Profit before Working Capital Changes	**139,320,307**	114,671,571
Working Capital Adjustments		
(Increase)/Decrease in Inventories	**(6,898,968)**	(2,780,848)
(Increase)/Decrease in Trade & Other Receivables	**(6,614,406)**	(34,787,125)
(Increase)/Decrease in Amounts Due From Related Party Balances	**46,835,109**	56,923,327
Increase/(Decrease) in Trade & Other Payables	**(27,649,978)**	(3,333,165)
Increase/(Decrease) in Amounts Due to Related Party Balances	**(13,294,536)**	2,031,681
Cash Generated from Operations	**131,697,526**	132,725,440
Gratuity Paid	**(2,757,900)**	(405,000)
Income Tax Paid	**-**	(8,540,797)
Interest Paid	**(19,982,271)**	(18,127,332)
Value Added Tax Paid on Asset Disposal	**(576,000)**	-
	(23,316,171)	(27,073,129)
Net Cash Flow from Operating Activities	**108,381,356**	105,652,311
Cash Flows From / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	**(113,216,696)**	(85,904,317)
Disposal of Financial Assets	**2,175,360**	283,075,528
Acquisition of Shares of Associate	**(112,033,000)**	-
Investment on Term Deposit	**-**	(193,975,757)
Proceed from disposal of Term Deposit	**193,896,621**	-
Proceed from disposal of Property, Plant and Equipment	**3,200,000**	-
Net Cash Flows From / (Used In) Investing Activities	**(25,977,715)**	3,195,455
Cash Flows from / (Used In) Financing Activities		
Repayment for Interest Bearing Borrowings	**(43,953,077)**	(112,128,415)
Restructuring of Interest Bearing Borrowings	**33,300,000**	-
Dividend Paid	**(27,000,000)**	-
Lease Rental Paid	**(3,629,659)**	(3,856,552)
Net Cash Flows from / (Used In) Financing Activities	**(41,282,736)**	(115,984,967)
Net Change in Cash & Cash Equivalents during the year	**41,120,905**	(7,137,201)
Cash & Cash Equivalents at the beginning of the year	**(86,571,476)**	(79,434,275)
Cash & Cash Equivalents at the end of the year	**(45,450,571)**	(86,571,476)
Analysis of Cash & Cash Equivalents at the end of the year		
Cash at Bank	**10,368,839**	6,047,475
Cash in Hand	**3,023,936**	3,912,654
Bank Overdrafts	**(58,843,346)**	(96,531,605)
	(45,450,571)	(86,571,476)

The notes to the Financial Statements from pages (56) to (74) form an integral part of these Financial Statements.

Figures in brackets indicate deductions

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1 Reporting Entity

Sigiriya Village Hotels PLC., is a Company incorporated and domiciled in Sri Lanka listed in the Colombo Stock Exchange. The registered office of the Company is located at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01. and the principal place of business is located at Sigiriya.

1.2 Principal Activities and Nature of Operation

The principal activity of the Company is provision of Hotel Services.

1.3 Date of Authorization for Issue

The financial of statements for the year ended 31st March 2026 were authorized for issue in accordance with a resolution of the Board of Directors on 24th July 2026.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

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

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

2.2. Going Concern

The management evaluated the resilience of the business of the company, considering a wide range of factors such as current and expected profitability, the ability to defer non-essential capital expenditure, debt repayment schedules, cash reserves, and potential sources of financing facilities, if required, and the ability to continue providing goods and services.

Having presented the outlook of the company to the Board, the Directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Therefore, the financial statements of the company have been prepared on the basis of a going concern

2.3. Basis of Measurement

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

2.4. Comparative Information

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

2.5. Materiality and Aggregation

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

2.6. Use of Estimates, Judgments and Assumptions

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

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

2.7. Functional and Presentation Currency

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

2.8. Foreign Currency Transactions

All foreign currency transactions are converted in to Sri Lanka Rupees at the rates of exchange prevailing at the time the transactions were affected.

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

The exchange differences arising there from have been dealt with in the Statement of Profit & loss.

2.9. Events Occurring after the Reporting Period

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

3.1. Investment Associate

Associates are those investments over which the company has a significant influence and holds 20% to 50% of the equity and which are neither subsidiaries nor joint ventures of the Company.

Investments in associates have been accounted under Equity Method as stated in LKAS 28. Name of the associate company and its holding are as follows.

Name of the Company	Holding %
Imperial Hotel Ltd	47.08%

3.2. Other Long-Term Investments

Investment in companies where the Company's holding is less than 20% and where the Company does not exercise significant influence and/or control over the financial and operating policies/decisions are accounted for on the basis as stated in 3.6 below. The income from these investments is recognized only to the extent of dividend received.

3.3. Assets and Bases of their Valuation

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

3.3.1. Property, Plant & Equipment

Property, Plant & Equipment is stated at cost or valuation less accumulated depreciation and any accumulated impairment loss. The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable costs of bringing the assets to working condition for its intended use.

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

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

(a) Subsequent Expenditure

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

(b) De-recognitions and Depreciations

De-recognition

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

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

Depreciation

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

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

The estimated useful lives of assets are as follows:

Assets	Years
Buildings	20 Years
Plant & Machinery	10 Years
Motor Vehicles	10 Years
Office Equipment	10 Years
Furniture & Fittings	10 Years
Electrical Equipment	10 Years
Linen, Cutlery & Crockery	4 Years

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

3.3.2. SLFRS 16 - Lease

Nature of the effect of adoption of SLFRS 16

Upon adoption of SLFRS 16, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognized lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets. The Company has lease contract for land which the hotel operates. The requirements of SLFRS 16 was applied to these lease from 1 April 2019.

The Company recognized right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

The right of use assets for leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

3.4. Investment Property

Investment property is a property (Land or Building-or part of a building-or both) held (by the owner or by the lessee under a finance lease) to earn rental or for capital appreciation or both rather than for:

(a) Use in the production or supply of good or service or for administrative purpose; or

(b) Sale in the ordinary course of business.

3.4.1. Measurement at recognition

An investment property is measured at initially at its cost. Transaction cost is included as part of the cost in the initial measurement. After initial recognition, company chose the cost model to measure all of its investment properties in accordance with LKAS 40.

3.5. Borrowing Costs

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

3.6. Financial Instruments

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

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of SLFRS 09 are broadly classified as financial assets at: amortized cost; fair value through other comprehensive income (FVTOCI); fair value through profit or loss (FVTPL).

The classification of financial asset at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost, the financial asset (asset arise on investment on debt instruments) needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding and held with a business model whose objective is to hold financial asset in order to collect contractual cash flows.

In order for a financial asset to be classified and measured at fair value through other comprehensive income (FVTOCL), the financial asset (asset arise on investment on debt instruments) need s to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding and it needs to be held to collect contractual cash flows or sell and held within a business model who's objective is to achieve by both collecting contractual cash flows and selling the financial asset.

In addition to that equity instruments not held for trading are also classified at FVTOCI.

All the other financial assets are classified and measured at fair value through profit or loss (FVTPL).

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows;

Financial Assets at Amortized Cost

The Company measures financial assets at amortized 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 amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include bank balances and short-term deposits under current financial assets.

Financial Asset classified under Fair Value through Other Comprehensive Income

The Financial Assets categorized as Available -for -Sale Investments under LKAS 39 is now reclassified under Equity Investments at Fair Value through OCI (FVOCI) under SLFRS 9 after assessing the business model that applies to the financial assets held by the Company. This category only includes the equity instruments, which the Company intends to hold for the long term and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

Financial Asset classified under Fair Value through Profit or Loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

De-Recognition

A financial asset is de-recognized when:

- The rights to receive cash flows from the asset have expired,
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Company's continuing involvement in it.

Impairment of Financial Assets

SLFRS 09 establishes a new model for impairment which is a forward-looking expected credit loss model.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The guiding principle of the Expected Credit Loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses,

including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

3.7. Impairment of Non-Financial Assets

The Company 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 Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in the Statement of Comprehensive Income except for impairment losses in respect of Property, Plant and Equipment which are recognised against the revaluation reserve to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment losses other than in respect of goodwill, are reversed only if there has been an increase in the recoverable amount of the asset. Such increase is recognized to the extent of the carrying amount had no impairment losses been recognized previously.

3.8. Inventories

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

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

3.9. Employee Benefits

a) Defined Benefit Plans - Retirement Gratuity

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

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

The actuarial gain or losses are charged or credited to Statements of Comprehensive Income in the period in which they arise.
However, according to the Payment of Gratuity Act, No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service.

a) Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund

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

All actuarial gains and losses at 1 April 2011, the date of transition to SLFRS/LKASs, were recognized in retained earnings. The Company recognizes all actuarial gains and losses arising subsequently from defined benefit plans in Other Comprehensive Income and expenses related to defined benefit plans in personnel expenses in Statements of Comprehensive Income.

3.10. Provisions, Contingent Assets and Contingent Liabilities

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

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

3.11. Statement of Comprehensive Income

3.11.1. Revenue from contracts with Customers

Revenue will be recognised upon satisfaction of performance obligation. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods and services.

The following details provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(a) Rendering of Services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

Room Revenue

For room revenue, customers obtain control of the service upon checking into the hotel, while invoices are generated at the time of check-out. Payment of the invoice is generally due within 30 days. In accordance with SLFRS 15, revenue is recognized at the end of each day as the accommodation services are provided to the customer over the period of stay.

Restaurants and Bar

For restaurant and bar operations, customers obtain control of the goods when the food and beverages are served or handed over to them. Customers are required to settle the invoice before leaving the premises. In line with SLFRS 15, revenue is recognized at the point when the customer consumes the food and beverages or takes them away, as this represents the completion of the performance obligation.

In connection with contracts with travel agents, tour operators, on-line travel agents, corporate customers and free individual travellers, the Company identified certain principal versus agent considerations. In recognizing revenue from these transactions, the Company considered whether the nature of its promise is a performance obligation to provide the hotel services itself (acting as a principal) or to arrange for the other party to provide those such services (acting as an agent)

(b) Finance Income

Interest Income is recognized as the interest accrued (taking into account the effective yield on the asset) unless collectability is in doubt.

3.11.2. Other Income

a) Dividend and Interest Income

Dividend income from investments is recognised when the company'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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b) 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.

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.

3.11.3. Expenditure Recognition

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

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

3.11.4. Finance Cost

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

3.11.5. Earnings per Share

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

3.12. Income Tax Expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognized in statement of comprehensive income except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

3.12.1. Current Tax

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

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and subsequent amendments thereto.

3.12.2. Deferred Tax

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

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

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

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

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

3.13. Cash Flow Statement

The Cash Flow Statement has been prepared using 'Indirect Method'. Interests paid are classified as operating cash flow while dividends paid are classified as financing cash flow. Interests and dividends received are classified as investing cash flows for the purpose of presentation of Cash Flow Statement.

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

3.14. Related Party Transactions

Disclosures have been made in respect of the transactions held between parties who are defined as related parties as per LKAS 24 – Related Party Disclosures.

3.15. Financial Risk Management Policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Company also holds available-for-sale investments.

The Company is exposed to market risk, credit risk and liquidity risk. The senior management monitors these risks. The senior management is supported by an audit committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Audit committee provides assurance to the senior management that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with policies and risk appetite.

3.16. Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.16.1 Classification of Liabilities as Current or Non-current - Amendment to LKAS 1

Amendments to LKAS 1 alter the classification of liabilities like convertible debt and introduce new disclosure requirements for liabilities subject to covenants.

NOTES TO THE FINANCIAL STATEMENTS

(4) REVENUE

	Note	2026	2025
		Rs.	Rs.
Revenue is made up as follows:			
Rooms		**342,446,049**	249,265,070
Restaurant		**264,583,398**	230,399,778
Beverages		**54,841,839**	36,392,190
Miscellaneous Income	(4.1)	**17,643,018**	14,123,991
		679,514,304	530,181,029
Less : Tourism Development Levy		**(6,795,143)**	(5,302,281)
Less : Pradeshiya Sabha Tax		**(3,397,572)**	(2,651,141)
		669,321,590	522,227,607

(4.1) Miscellaneous Income

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Sundry Income	**5,970,026**	6,022,008
Ayurvedic Health Centre	**11,672,993**	8,101,983
	17,643,018	14,123,991

(5) OTHER OPERATING INCOME

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Interest Income on Intercompany Loans	**12,309,673**	9,983,857
Bank Interest Income	**123,256**	73,062
Investment Interest Income	**5,103,379**	4,975,757
Reversal of impairment on Trade Debtors	**2,861,728**	-
Dividend Income	**1,784,836**	-
Other Income	**1,667,799**	307,131
	23,850,671	15,339,807

(6) FINANCE & OTHER EXPENSES

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Interest on Loans	**14,483,216**	29,185,834
Interest Expense on Intercompany Loans	**94,801**	-
Interest on Lease	**2,822,144**	3,044,448
Interest on Overdrafts	**5,404,254**	17,860,654
Bank Charges	**476,432**	266,679
Broker Commission on Share Disposal	**24,640**	3,665,558
Exchange Loss	**365,262**	976,766
Asset Disposal Loss	**4,193,629**	-
	27,864,377	54,999,939

(7) PROFIT BEFORE TAXATION

Profit before taxation is stated after charging all expenses including the following;

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Staff Costs	**114,149,090**	90,698,245
Depreciation	**19,634,940**	13,523,443
Auditor's Remuneration - Statutory Audit	**1,100,000**	1,000,000
Gratuity Provision	**5,091,317**	3,981,373
Donations	**309,709**	141,000

(8) INCOME TAX EXPENSES

For the Year Ended 31st March	Notes	2026	2025
		Rs.	Rs.
Current Tax for the year	(8.1)	**-**	-
Income Tax Expense for previous years		**13,648,460**	-
Deferred Tax Charge/ (Reversal) for the Year		**25,541,969**	13,098,454
		39,190,429	13,098,454

(8.1) Reconciliation between Current Tax Expense & Accounting Profit

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Accounting Profit before Taxation	**82,623,452**	44,252,933
Share of Profit from Associates	**6,217,371**	(2,361,003)
Exempt Amounts	**(1,784,836)**	-
Aggregate Disallowable Items	**30,839,863**	23,570,504
Aggregate Allowable Items	**(25,110,218)**	(11,031,634)
Investment Interest Income	**(5,103,379)**	(4,975,757)
Adjusted Profit from Company	**87,682,253**	49,455,043
Taxable Interest Income	**-**	-
Taxable Profit	**87,682,253**	49,455,043
Less: Brought forward loss claimed	**(87,682,253)**	(49,455,043)
Income Tax Rate	**30%**	30%
Current Income Tax Expense	**-**	-

(9) EARNINGS PER SHARE

(9.1) Basic Earnings Per Share (Rs.)

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Net Profit attributable to Ordinary Shareholders (Rs.)	**43,433,023**	31,154,479
Weighted Average No. of Ordinary Shares	**90,000,000**	9,000,000
Basic Earnings Per Share (Rs.)	**0.48**	3.46

(9.2) Diluted Earnings Per Share (Rs.)

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is the same as basic earnings per share as shown in Note 9.1.

(10) PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Cost				Depreciation				Net Book Value	
	Balance as at 01.04.2025	Additions during the year	Disposals / Transfers	Balance as at 31.03.2026	Balance as at 01.04.2025	Charge for the year	Transfers/ Disposals	Balance as at 31.03.2026	As At 31.03.2026	As At 31.03.2025
Freehold Assets										
Land	206,993,440	-	-	**206,993,440**	-	-	-	**-**	**206,993,440**	206,993,440
Building	252,215,214	94,172,664	-	**346,387,878**	156,328,173	11,393,815	-	**167,721,988**	**178,665,891**	95,887,041
Plant & Equipment	64,212,685	6,434,850	-	**70,647,535**	50,226,702	679,871	-	**50,906,573**	**19,740,962**	13,985,983
Kitchen Equipment	44,218,597	1,907,286	-	**46,125,883**	43,834,479	87,097	-	**43,921,576**	**2,204,307**	384,118
Electrical Equipment	42,556,407	9,455,885	-	**52,012,291**	34,734,051	1,423,746	-	**36,157,797**	**15,854,494**	7,822,357
Office Equipment	9,964,208	638,908	-	**10,603,116**	8,180,599	219,191	-	**8,399,790**	**2,203,327**	1,783,610
Furniture & Fittings	30,265,289	4,102,710	-	**34,367,999**	25,793,981	484,294	-	**26,278,276**	**8,089,723**	4,471,307
Motor Vehicles	8,950,879	16,245,397	(8,950,879)	**16,245,397**	1,668,751	464,499	(2,133,250)	**-**	**16,245,397**	7,282,128
Cutlery & Crockery	14,311,455	3,328,009	-	**17,639,464**	12,358,652	373,835	-	**12,732,487**	**4,906,977**	1,952,804
Linen	35,090,382	12,265,685	-	**47,356,067**	23,568,926	4,508,592	-	**28,077,518**	**19,278,549**	11,521,456
Computer Software	269,000	-	-	**269,000**	269,000	-	-	**269,000**	**-**	-
Generator	2,378,405	-	-	**2,378,405**	2,378,405	-	-	**2,378,405**	**-**	-
	711,425,961	148,551,395	(8,950,879)	**851,026,476**	359,341,719	19,634,939	(2,133,250)	**376,843,408**	**474,183,068**	352,084,242
Capital Work-in Progress										
WIP	74,171,790	58,458,730	(93,793,430)	**38,837,091**	-	-	-	**-**	**38,837,091**	74,171,790
	74,171,790	58,458,730	(93,793,430)	**38,837,091**	-	-	-	**-**	**38,837,091**	74,171,790
	785,597,751	207,010,125	(102,744,309)	**889,863,567**	359,341,719	19,634,939	(2,133,250)	**376,843,408**	**513,020,159**	426,256,032

(10.1) During the Period, the company acquired Property, Plant & Equipment for cash to the aggregate value of Rs. 113,216,696 (2024/25 - Rs. 11,769,527).

(10.2) Sigiriya Village Hotels PLC's buildings have been constructed on a land which was leased out from Sri Lanka Tourism Development Authority (with the option of renewing) for 30 years commencing from 02nd September 2009. The lease period will expire on 01st September 2039..

(10.3) Extent of the land and building owned by the company is as follows.

Description	Locations	Extent Of Land
Land	Sigiriya	A: 16, R: 03, P: 07.5
	Trincomalee	A: 08, R: 01, P: 02.0
		No of Buildings
Freehold Building	Sigiriya	39

(11) RIGHT OF USE ASSET

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Cost			
Balance at the beginning of the year		**25,554,524**	25,554,524
Additions during the year		**-**	-
Balance at the end the year		**25,554,524**	25,554,524

Accumulated Amortization			
Balance at the beginning of the year		**7,509,901**	6,258,251
Amortization during the year		**1,251,650**	1,251,650
Balance at the end the year		**8,761,551**	7,509,901
Net Book Value as at 31st March 2026		**16,792,974**	18,044,623
The following are the amounts recognized to the Income Statement			
Interest Expenses on Lease Liability	(26)	**2,822,144**	3,044,448
Amortization Charge of Right of Use Assets		**1,251,650**	1,251,650
		4,073,794	4,296,098

The company has tested its Right of Use asset for impairment on the date of transition & has concluded that there is no indication that the right of use asset is impaired.

The company used a number of practical expedients when applying SLFRS 16 to Lease previously classified as operating leases under LKAS 17,in particular, the Company:

- did not recognize right of use asset & liabilities for leases which the lease term ends within 12 months of the date of initial application;
- did not recognize right of use asset & liabilities for leases of low value asset (eg.IT equipment, motor vehicle etc);
- excluded initial direct cost from the measurement of the right of use asset at the date of initial application; and
- used hindsight when determining the lease term.

(12) INVESTMENT PROPERTY

As at 31st March	2026	2025
	Rs.	Rs.
Land	**24,406,560**	24,406,560
	24,406,560	24,406,560

- The extent of this land is A : 8 R : 1 P : 02.29 - (Hectares 3.3444)

(13) INVESTMENT IN ASSOCIATE

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Imperial Hotels Ltd (Formerly known as York Hotel Kandy Ltd.)	(13.1)	**192,606,599**	86,790,969
		192,606,599	86,790,969
Number of Shares		**6,800,000**	4,500,000
Percentage of Holding		**47.08%**	31.16%

(13.1) Movement of Investments in Associate Balance

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Balance at the beginning of the year		**86,790,969**	84,429,966
Acquisition of shares during the year		**112,033,000**	-
Share of Loss for the year	(13.2)	**(6,217,371)**	2,361,003
Balance at the end of the year		**192,606,599**	86,790,969

(13.2) Share of Net Results of Equity Accounted Investee

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Finance Income		**11,349,601**	12,548,613
Administration Expenses		**(18,391,370)**	(2,949,354)
Other Expenses		**(301,645)**	-
Impairment for Related Party Receivable		**(3,270,305)**	950,150
Profit / (Loss) before Taxation		**(10,613,719)**	10,549,409
Income Tax Expense		**(2,591,410)**	(2,971,860)
Profit / (Loss) for the year		**(13,205,129)**	7,577,549
Other comprehensive income		**-**	369,484,564
Total comprehensive income for the year		**(13,205,129)**	377,062,113
Share of Result of Equity Accounted Investee		**(6,217,371)**	2,361,003

(13.3) Share of Net Financial Highlights of Equity Accounted Investee

As at 31st March	2026	2025
	Rs.	Rs.
Non-Current Assets	**707,917,557**	685,076,901
Current Assets	**196,773,486**	209,067,265
Non-Current Liabilities	**(158,350,527)**	(158,350,527)
Current Liabilities	**(56,003,339)**	(32,251,331)
Net Assets (100%)	**690,337,177**	703,542,308

(14) FINANCIAL ASSETS

Equity Securities - Fair Value through Other Comprehensive Income

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Investments in Quoted Equity Securities	(14.1)	**106,624,710**	129,474,859
Investments in Non-quoted Equity Securities	(14.2)	**294,600**	294,600
		106,919,310	129,769,459

(14.1) Investments in Quoted Companies

	Number of Shares	Fair Values as at 31.03.2026	Fair Values as at 31.03.2025
		Rs.	Rs.
Marawila Resorts PLC	16,865,000	**96,130,500**	114,682,000
Beruwala Resorts PLC	3,498,070	**10,494,210**	14,792,859
		106,624,710	129,474,859

The fair value of share investment in quoted companies is determined with reference to the published price quotations in the Colombo Stock Exchange.

(14.2) Investments in Non-quoted Companies

As at 31st March	2026	2025
	Rs.	Rs.
Colombo Fort Hotels Ltd	**294,600**	294,600
	294,600	294,600

(15) INVENTORIES

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Food & Beverages		**13,085,133**	8,429,496
General & Others		**8,115,612**	5,872,280
		21,200,745	14,301,776

(16) TRADE & OTHER RECEIVABLES

As at 31st March		2026	2025
		Rs.	Rs.
Trade Debtors		**41,628,927**	39,776,964
Other Debtors		**5,270,563**	8,181,760
		46,899,490	47,958,724
Less: Impairment Provision for Debtors	(16.1)	**(2,088,825)**	(4,950,553)
		44,810,664	43,008,171
Deposits		**1,133,071**	1,033,071
Advance Payments		**17,981,110**	17,939,190
IPG Receivables		**2,597,979**	2,097,538
Pre-payments		**3,354,390**	787,329
VAT Receivable		**4,958,350**	-
		30,024,900	21,857,128
		74,835,565	64,865,299

(16.1) Impairment Provision for Debtors

As at 31st March	2026	2025
	Rs.	Rs.
Balance at the beginning of the year	**4,950,553**	4,950,553
Less : Reversal for the year	**(2,861,728)**	-
Balance at the end of the year	**2,088,825**	4,950,553

(17) AMOUNTS DUE FROM RELATED PARTIES

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Consolidated Tea Plantation Ltd		**577,961**	677,961
Colombo Fort Hotels Limited		**69,457,852**	72,232,738
Imperial Hotels Limited		**21,800,000**	-
York Hotel Management Services Ltd.		**64,988,021**	23,883,383
Lankem Ceylon PLC		**13,721,467**	120,586,327
		170,545,300	217,380,409

17.1) This note should be read in conjunction with Note 34.5 - Transactions held with Related Companies

(18) SHORT TERM INVESTMENT

As at 31st March	2026	2025
	Rs.	Rs.
Investment - NDB Wealth Management	**79,136**	193,975,757
	79,136	193,975,757

(19) CASH AND CASH EQUIVALENT

As at 31st March	2026	2025
	Rs.	Rs.
Cash at Bank	**10,368,839**	6,047,475
Cash in Hand	**3,023,936**	3,912,654
	13,392,775	9,960,129

(20) STATED CAPITAL

	No. of Shares	Value (Rs.)
Balance as at 31st March 2025	**9,000,000**	363,722,215
Balance as at 31st March 2026	**90,000,000**	363,722,215

Without actuating any increase to the Stated Capital, every one existing issued ordinary share of the Company was subdivided into ten issued ordinary shares based on the shareholding as at end of trading on 8th January 2026.

(21) RESERVE ON FVTOCI FINANCIAL ASSETS

As at 31st March	2026	2025
	Rs.	Rs.
Balance at the beginning of the year	**72,962,350**	38,826,561
Other Comprehensive Income for the year	**(20,650,149)**	280,415,827
Re-Classification of fair value reserve on disposal of shares	**-**	(246,280,038)
Balance at the end of the year	**52,312,201**	72,962,350

Reserve on financial assets measured at fair value through other comprehensive income (FVTOCI) represent the cumulative change in fair values recognized by the company on the financial assets classified as FVTOCI.

(22) RETAINED EARNINGS

As at 31st March	2026	2025
	Rs.	Rs.
Balance at the beginning of the year	**251,587,940**	(25,409,851)
Profit/ (Loss) for the year	**43,433,023**	31,154,479
Other Comprehensive Income	**237,417**	(623,894)
Re-Classification of fair value reserve	**-**	246,280,038
Deferred Tax Impact on Actuarial Gain	**(71,225)**	187,168
Dividend Paid	**(27,000,000)**	-
Balance at the end of the year	**268,187,155**	251,587,940

(23) RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Movement in the Present Value of Defined Benefit Obligation (PVDBO)			
Balance at the beginning of the year		**21,593,570**	17,393,303
Provision made during the year	(23.1)	**5,091,317**	3,981,373
		26,684,887	21,374,676
Payments made during the year		**(2,757,900)**	(405,000)
Actuarial Loss / (Gain) on Obligations	(23.2)	**(237,417)**	623,894
Balance at the end of the year		**23,689,570**	21,593,570

Following amounts are recognized in Statement of Profit or Loss and Statement of Other Comprehensive Income during the year in respect of the retirement benefit obligations.

(23.1) Amounts Recognized in Profit or Loss

As at 31st March	2026	2025
	Rs.	Rs.
Interest Cost	**2,375,292**	1,930,656
Current Service Cost	**2,716,025**	2,050,717
	5,091,317	3,981,373

(23.2) Amounts Recognized in Other Comprehensive Income

As at 31st March	2026	2025
	Rs.	Rs.
Actuarial Loss/(Gain) on obligations	**(237,417)**	623,894
	(237,417)	623,894

(23.3) RETIREMENT BENEFIT OBLIGATIONS

The retirement benefit obligations of the company is based on the actuarial valuation carried out by Mr. Piyal Goonatilleka, fellow of the Society of actuaries (USA).The valuation method used by the actuary was "Projected Unit Credit Actuarial Cost Method". Principal assumptions used in determining the above were as follows.

Principal assumptions used in determining the above were as follows.		
Discount Rate	10.75%	11.00%
Salary Increment Rate	10%	10%
Retirement Age	60 Years	60 Years

(23.4) Sensitivity of Assumptions used in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of Financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligations for the year.

Discount Rate	**2026**	**2025**
	Rs.	**Rs.**
Effect on retirement benefit obligations due to 1% increase	**22,090,349**	20,142,631
Effect on retirement benefit obligations due to 1% decrease	**25,513,142**	23,235,048

Salary Increment Rate	**2026**	**2025**
	Rs.	**Rs.**
Effect on retirement benefit obligation due to 1% increase	**25,474,491**	23,203,255
Effect on retirement benefit obligation due to 1% decrease	**22,094,488**	20,144,649

(23.5) Maturity Analysis of the Payments

As at 31st March	**2026**	**2025**
	Rs.	**Rs.**
within the next 12 months	**2,154,165**	1,858,280
between 1 to 2 years	**2,610,046**	3,444,810
between 3 to 5 years	**8,663,180**	8,128,138
beyond 5 years	**10,262,179**	8,162,342
	23,689,570	21,593,570

(24) DEFERRED TAX LIABILITY

As at 31st March	**Notes**	**2026**	**2025**
		Rs.	**Rs.**
Balance at the beginning of the year		**5,038,039**	(7,873,247)
Provision/(Reversal) During the Year			
In Statement of Profit or Loss	(24.3)	**25,541,969**	13,098,454
In OCI - Actuarial Gain/(Loss)	(24.4)	**71,225**	(187,168)
Balance at the end of the year	(24.1)	**30,651,233**	5,038,039

(24.1) Deferred Tax Provision as at the End of the Year is made up as Follows;

Deferred Tax Provision from	31st March, 2026		31st March, 2025	
	Taxable / (Deductible) Temporary Difference	Tax Effect	Taxable / (Deductible) Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Provision from:				
On Property, Plant & Equipment	**126,234,980**	**37,870,494**	133,964,889	40,189,467
On Right of Use Asset	**16,792,974**	**5,037,892**	18,044,623	5,413,387
On Revaluation Reserve	**55,050,944**	**16,515,283**	55,050,944	16,515,283
On Lease Liability	**(25,109,051)**	**(7,532,715)**	(25,916,565)	(7,774,969)
On Retirement Obligation	**(23,689,570)**	**(7,106,871)**	(21,593,570)	(6,478,071)
On Impairment Provision	**(2,088,825)**	**(626,648)**	(4,950,553)	(1,485,166)
On Revaluation Land	**126,036,301**	**37,810,890**	126,036,301	37,810,890
Carried Forward Tax Loss	**(171,056,974)**	**(51,317,092)**	(263,842,604)	(79,152,781)
	102,170,779	**30,651,234**	(16,793,465)	(5,038,040)

(24.2) Originating During the Year

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Statement of Profit & Loss	(24.3)	**25,541,969**	(13,098,454)
Statement of Other Comprehensive Income	(24.4)	**(71,225)**	187,168
		25,470,744	(12,911,286)

(24.3) Amounts Recognized in Profit /Loss

As at 31st March	2026	2025
	Rs.	Rs.
Originating During the Year	**25,541,969**	(13,098,454)
	25,541,969	(13,098,454)

(24.4) Amounts Recognized in Other Comprehensive Income

As at 31st March	2026	2025
	Rs.	Rs.
Deferred Tax on Defined Benefit Plan Actuarial Gain/(Losses)	**(71,225)**	187,168
	(71,225)	187,168

(24.5) Deferred Tax on Revaluation of Lands

A land in Trincomalee, which was reflected in the company's property, plant, and equipment, had been revalued during the financial year ended March 31st, 2010, and a revaluation gain of Rs.126 million had been recognized in the financial statements.

Subsequently, the company elected to apply optional exemption to use the revalued amount of land as deemed cost under Sri Lanka accounting standards. As a result the revaluation reserve as at 1st April 2011 has been reclassified to retain earnings.

Consequently, a deferred tax liability has been recognized in these financial statements in respect of the aforementioned revaluation surplus, since gains from realization of capital asset are subject to tax under the provisions of the Inland Revenue Act No 24 of 2017.

(25) INTEREST BEARING BORROWINGS

	Notes	Payable Within One Year	Payable After One Year	2026	2025
		Rs.	Rs.	Rs.	Rs.
Term Loans	(25.1)	41,900,000	106,568,340	**148,468,340**	144,638,202
		41,900,000	106,568,340	**148,468,340**	144,638,202

(25.1)

Lender	Balance As at 01/04/2025	Interest Expense	Addition	(Payment)	Balance as at 31/03/2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Sampath Bank PLC	144,638,202	14,483,216	33,300,000	(43,953,077)	**148,468,340**
					-
	144,638,202	14,483,216	33,300,000	(43,953,077)	**148,468,340**

(25.2) Following Securities have been Pledged for the Sampath Bank Loan

Primary Mortage Bond for Rs.195,000,000/- over leasehold right of property at No.01, Hotel Road Sigiriya owned by the Sri Lanka Tourism Development Authority. Also depicted as Lot No. 217B and 217C in survey Plan No.2356 dated 22nd January 1979 made by Mr. H. Anil Peris (Licensed Surveyor).

(26) LEASE LIABILITY

As at 31st March	2026	2025
	Rs.	Rs.
Balance at the Beginning of the year	**25,916,565**	26,728,669
Add : Interest expense during the year	**2,822,144**	3,044,448
Less : Repayments during the year	**(3,629,659)**	(3,856,552)
Balance at the end of the year	**25,109,051**	25,916,565
Repayable within after one year	**21,149,423**	25,755,948
Repayable within one year	**3,959,628**	160,617
	25,109,051	25,916,565

These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's Incremental Borrowing Rate (IBR) of 10.92%

(27) TRADE & OTHER PAYABLES

As at 31st March	2026	2025
	Rs.	Rs.
Trade Creditors	**49,631,201**	47,066,852
Provision for Breakages	**6,921,880**	7,148,598
Accrued Expenses	**50,985,795**	48,597,002
Advance Received	**6,466,785**	7,213,301
Loan Interest Payable	**-**	7,472,728
OD Interest Payable	**-**	13,896,843
Dividends Payable	**3,588,824**	3,537,132
Dividend Tax Payable	**3,600,000**	3,600,000
SSCL Payable	**1,493,053**	1,544,171
VAT Payable	**-**	8,593,090
Advance Received	**-**	1,667,799
Unclaimed Service Charge	**669,592**	669,592
	123,357,130	151,007,108

(28) INCOME TAX PAYABLE

As at 31st March	2026	2025
	Rs.	Rs.
Balance as at the Beginning of the year	**530,272**	9,071,069
Income Tax Provision for the Current Year	**-**	-
Income Tax Paid During the Year	**-**	(8,540,797)
Balance as at the end of the year	**530,272**	530,272

(29) AMOUNTS DUE TO RELATED PARTIES

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Colombo Fort Land & Building PLC		**-**	7,000,000
Colombo Fort Group Services (Private) Limited		**392,950**	6,687,487
		392,950	13,687,487

This note should be read in conjunction with Note (34.5) - Transactions held with Related Companies.

(30) BANK OVERDRAFTS

As at 31st March	2026	2025
	Rs.	Rs.
Bank Overdrafts	**58,843,346**	96,531,605
	58,843,346	96,531,605

(31) COMMITMENTS

Capital Expenditure Commitments

The company have capital commitments as at the date of Statement of Financial Position.

Financial Commitments

As at the reporting date, the Company has the following financial commitment to the lending institution.

Institution	Amount (Rs.)
Sampath Bank PLC	148,468,340

(32) EVENTS OCCURRING AFTER THE REPORTING PERIOD

No material events have been taken place after the reporting date which require adjustments to or disclosure in the financial statements.

(33) CONTINGENT LIABILITIES

There were no material contingent liabilities as at the date of Statement of Financial Position that require adjustment to, or disclosure in the Financial Statements except the following:.

With regard to the court case No B/453/2016 at Dambulla Magistrate Court the parties are negotiating to arrive at an amicable solution and the land is to be regularized under the Sri Lanka Tourism Development Authority.

(34) DIRECTOR'S INTEREST IN CONTRACTS/ RELATED PARTY TRANSACTIONS

(34.1) Parent and Ultimate Controlling Party

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

(34.2) Identification of the Related Parties

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

(34.3) Transactions maintained with Key Management Personnel and their Close Family Members

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

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

(i) Loans to Directors

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

(ii) Key Management Personnel Compensation

	2026	2025
	Rs.	Rs.
Short-Term Benefits -Director Fees	**3,420,000**	2,850,000

(iii) Other Transactions maintained with Key Management Personnel

There were no other transactions with Key Management Personnel other than those mentioned in the related party transactions.

(34.4) All related party transactions are made on terms equivalent to those that prevail in an arms length transaction. The company's parent undertaking is Lankem Ceylon PLC while the ultimate parent undertaking and controlling party is the Colombo Fort Land & Building PLC which are incorporated in Sri Lanka.

(34.5) TRANSACTIONS MAINTAINED WITH RELATED COMPANIES

	Name of the company	Relationship	Name of Director	Balance as at 31.03.2025 Receivable / (Payable)	Name of Transaction	Value of Transactions During The year	Balance as at 31.03.2026 Receivable / (Payable)
				Rs.		Rs.	Rs.
1.	Lankem Ceylon PLC	Parent	Mr. S.D.R. Arudpragasam Mr. Anushman Rajaratnam Mr. S.B. Perera	120,586,327	Loan Capital Loan Interest	(100,000,000) (6,864,859)	13,721,467
2.	Beruwala Resorts PLC	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. Anushman Rajaratnam Mr. J.E.P. Kehelpannala Mr. S.B. Perera Mr. A.S.G.S. Pieries (A. w.e.f 05.08.2025)	-	Fund Transfers Services & Expenses	1,419,871 (1,419,871)	-
3	York Hotel Management Services Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. Anushman Rajaratnam Mr. A.S.G.S. Pieries (A. w.e.f 05.08.2025)	23,883,383	Management Fees / Expenses Fund Transfers	(76,989,895) 118,094,532	64,988,020
4.	Marawila Resorts PLC	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. Anushman Rajaratnam Mr. S.B. Perera Mr. J.E.P. Kehelpannala Mr. A.S.G.S. Pieries (A. w.e.f 05.08.2025)	-	Fund Transfers Service & Expenses	8,913,065 (8,913,065)	-
5	Consolidated Tea Plantations Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. Anushman Rajaratnam Mr. S.B. Perera	677,961	Fund Transfers	(100,000)	577,961
6	Sherwood Holidays Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam	- -	Fund Transfers Fund Receipts	(30,005,522) 30,005,522	
7	Imperial Hotels Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. Anushman Rajarathnam		Fund Transfers	21,800,000	21,800,000
8	Colombo Fort Hotels Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Anushman Rajaratnam Mr. Amrit Rajaratnam	72,232,738	Interest Income Dividend	7,164,033 (9,938,919)	69,457,852
9	Galle Fort Hotels (Pvt) Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. Anushman Rajaratnam	- -	Fund Transfers Fund Transfers	45,500,000 (45,500,000)	-
10	The Colombo Fort Land & Building PLC	Ultimate Parent	Mr. S.D.R. Arudpragasam Mr. Anushman Rajaratnam Mr. S. Rajaratnam Mr. Amrit Rajaratnam Mr. S.B. Perera	(7,000,000)	Fund Transfers	7,000,000	-
11	Lankem Tea and Rubber Plantations (Pvt) Ltd	Affiliate	Mr. S.D.R. Arudpragsam Mr. Anushman Rajaratnam	-	There were no transactions held during the period		-
12	Agarapatana Plantations PLC	Affiliate	Mr. S.D.R. Arudpragsam Mr. Anushman Rajaratnam Mr. S.B. Perera	-	There were no transactions held during the period		-
13	Colombo Fort Group Services (Pvt) Ltd	Affiliate	Mr. S.D.R. Arudpragasam Mr. Anushman Rajaratnam	(6,687,487)	Fund Transfers License Fees Consultancy & Other Fees Professional Charges	10,569,447 (565,784) (3,467,226) (241,900)	(392,950)

(35) FINANCIAL INSTRUMENTS

(35.1) Financial Assets-Statement of Financial Position

The financial instruments recognized in the statement of financial position are as follows.

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Fair Value through Other Comprehensive Income			
Investment in Equity Securities	(14)	**106,919,310**	129,769,459
Amortized Cost			
Trade and Other Receivables	(16)	**74,835,565**	64,865,299
Amounts Due from Related Parties	(17)	**170,545,300**	217,380,409
		352,300,175	412,015,167
Cash & Cash Equivalents	(19)	**13,392,775**	9,960,129
Total		**365,692,950**	421,975,296
Financial Liabilities			
Amortized Cost			
Interest Bearing Loans & Borrowings	(25)	**148,468,340**	144,638,202
Trade & Other Payables	(27)	**123,357,130**	151,007,108
Amounts due to Related Parties	(29)	**392,950**	13,687,487
		272,218,421	309,332,797
Bank Overdrafts	(30)	**58,843,346**	96,531,605
Total		**331,061,767**	405,864,402

(35.2) Financial Instruments - Statement of Comprehensive Income

During the year ended 31st March	2026		2025	
	Gain / Income	Losses/ Expenses	Gain / Income	Losses/ Expenses
	Rs.	Rs.	Rs.	Rs.
Financial Instruments at FVTOCI		**(20,650,149)**	280,415,827	-
		(20,650,149)	280,415,827	-

(36) FINANCIAL RISK MANAGEMENT

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

Credit Risk

Liquidity Risk

Market Risk(Including currency risk and interest rate risk)

This note presents information about the company's exposure to each of the above risk, the company's objectives, policies, and procedures for measuring and managing of risks.

Risk Management Framework

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

(36.1) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instruments fails to meet it's contractual obligation, and arises principally from the company's receivables from customers and investments.

The Company's maximum exposure to credit risk as at the reporting date based on carrying value of financial assets in the statement of financial position is as follows.

As at 31st March	Notes	2026	2025
		Rs.	Rs.
Financial Assets at Fair Value through Other Comprehensive Income			
Investments in Equity Securities	(14)	**106,919,310**	129,769,459
		106,919,310	129,769,459
Financial Assets at Amortized Cost			
Trade and Other Receivables	(16)	**74,835,565**	64,865,299
Amounts Due from Related Parties	(17)	**170,545,300**	217,380,409
Cash & Cash Equivalents	(19)	**13,392,775**	9,960,129
		258,773,640	292,205,837
Exposure to Credit Risk		**365,692,950**	421,975,296

(36.2) Impairment Losses

The aging of trade and other receivables as at the reporting date was;

As at 31st March	Gross 2026	Impairment 2026	Gross 2025	Impairment 2025
	Rs.	Rs.	Rs.	Rs.
Past due 0-31 days	**10,895,569**	**-**	31,584,100	-
Past due 31-365 days	**27,012,746**	**-**	14,285,799	-
More than one year	**9,013,368**	**2,088,825**	2,088,825	4,950,553
	46,921,682	**2,088,825**	47,958,724	4,950,553

The ageing of amounts due from related companies as at the reporting date was;

As at 31st March	Gross 2026	Impairment 2026	Gross 2025	Impairment 2025
	Rs.	Rs.	Rs.	Rs.
Not Past due	**-**	-	-	-
Past due 0-365 days	**74,869,027**	-	(16,382,445)	-
More than one year	**95,676,273**	-	233,762,854	-
	170,545,300	-	217,380,409	-

(36.3) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting agreements.

As at 31st March 2026	Carrying amount	Contractual cash flows	12 Months or Less	1-2 years	2-5 Years	More than 5 years
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Bearing Borrowings	148,468,340	(163,168,340)	34,000,000	59,000,000	70,168,340	-
Lease Liability	25,109,051	(45,300,823)	3,355,617	3,355,617	10,066,850	28,522,740
Trade and Other Payables	123,357,130	(123,357,130)	123,357,130	-	-	-
Amounts due to Related Parties	392,950	(392,950)	392,950	-	-	-
Bank Overdrafts	58,843,346	(58,843,346)	58,843,346	-	-	-
	356,170,817	(391,062,589)	219,949,043	62,355,617	80,235,190	28,522,740

As at 31st March 2025	Carrying amount	Contractual cash flows	12 Months or Less	1-2 years	2-5 Years	More than 5 years
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Bearing Borrowings	144,638,202	(179,804,294)	35,352,935	32,873,951	111,577,408	-
Lease Liability	25,916,565	(60,270,590)	3,172,500	3,172,500	10,034,547	43,891,044
Trade and Other Payables	151,007,108	(151,007,108)	151,007,108	-	-	-
Amounts due to Related Parties	13,687,487	(13,687,487)	13,687,487	-	-	-
Bank Overdrafts	96,531,605	(96,531,605)	96,531,605	-	-	-
	431,780,967	(501,301,084)	299,751,635	36,046,451	121,611,955	43,891,044

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

(36.4) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices mainly comprise two types of risks, currency risk, interest rate risks. Financial instruments affected by market risk include bank loans, investments and trade payables.

Currency Risk

Exposure to Currency Risk

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

	2026			2025		
	USD	EUR	GBP	USD	EUR	GBP
Trade & Other Receivables	**2,841**	**-**	**-**	16,313	5,727	-
Total Exposure	**2,841**	**-**	**-**	16,313	5,727	-

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

	Average Rate		Reporting Date / Spot Rate	
	2026	2025	2026	2025
USD	**316**	292	**2026-03-31**	2025-03-28
EUR	**362**	319	**2026-03-31**	2025-03-28

(36.5) Interest Rate Risk

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

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

	Increase/ (Decrease) in interest rate	Effect on profit before tax (Rs.)	Effect on Equity (Rs.)
2025	1%	434,330	434,330
	-1%	(434,330)	(434,330)
2024	1%	311,545	311,545
	-1%	(311,545)	(311,545)

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was;

	Carrying Amount	
	2026	**2025**
	Rs.	**Rs.**
Fixed Rate Instruments		
Financial Assets	**106,919,310**	129,769,459
	106,919,310	129,769,459

	Carrying Amount	
	2026	**2025**
	Rs.	**Rs.**
Variable Rate Instruments		
Financial Liabilities	**173,577,391**	170,554,767
	173,577,391	170,554,767

(36.6) Fair Values

The fair values of financial assets and liabilities together with the carrying amounts shown in the statements of financial position, is stated as follows;

Assets Carried at Fair Value	**2026**		**2025**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Financial Assets at FVTOCI	**20,363,070**	**106,919,310**	189,029,278	129,769,459
	20,363,070	**106,919,310**	189,029,278	129,769,459

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. Fair value hierarchy disclosure stated is as follows.

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

31st March 2026	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
Financial Assets at FVTOCI	106,624,710	-	294,600	106,919,310
	106,624,710	-	294,600	106,919,310

(37) CAPITAL MANAGEMENT

The primary objective of the Company's capital Management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, retain capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2025 and 31st March, 2026.

The Company's net debts to adjusted equity ratio as at the reporting date were as follows

As at 31st March	Notes	2026	2025
Trade & Other Payables	(27)	**123,357,130**	151,007,108
Lease Liability	(26)	**25,109,051**	25,916,565
Interest Bearing Borrowings	(25)	**148,468,340**	144,638,202
Amounts due to Related Parties	(30)	**392,950**	13,687,487
Income Tax Payable	(28)	**530,272**	530,272
Bank Overdrafts	(30)	**58,843,346**	96,531,605
Less : Cash at Bank & in Hand	(19)	**(13,392,775)**	(9,960,129)
Net Debts		**343,308,315**	422,351,109
Total Equity		**722,757,231**	726,808,165
Adjusted Net Debt to Adjusted Equity Ratio		**47%**	58%

(38) Segment Information

For the Year Ended 31st March	Rooms Department		Food & Beverage Department		Other		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue	**337,309,358**	245,526,094	**314,633,859**	262,789,381	**17,378,373**	13,912,131	**669,321,590**	522,227,607
Cost of Sale	**(28,741,036)**	(24,182,030)	**(136,297,912)**	(115,074,565)	**(9,401,402)**	(9,374,051)	**(174,440,351)**	(148,630,646)
Gross Profit	**308,568,322**	221,344,064	**178,335,947**	147,714,816	**7,976,971**	4,538,080	**494,881,239**	373,596,960

SHARE INFORMATION

DISTRIBUTION OF SHARES

No. of Shares Held	As At 31st March 2026			As At 31st March 2025		
	No of Shareholders	Total Holding	%	No of Shareholders	Total Holding	%
1 - 1,000	**1,229**	**379,070**	**0.42**	970	143,962	1.60
1,001 - 10,000	**684**	**2,941,423**	**3.27**	135	412,302	4.58
10,001 - 100,000	**263**	**8,221,597**	**9.14**	29	1,045,812	11.62
100,001 - 1,000,000	**35**	**12,711,775**	**14.12**	4	526,653	5.85
Over 1,000,000	**5**	**65,746,135**	**73.05**	3	6,871,271	76.35
	2,216	**90,000,000**	**100.00**	1,141	9,000,000	100.00

ANALYSIS OF ORDINARY SHAREHOLDERS

	As At 31st March 2026			As At 31st March 2025		
	No. of Shareholders	Total Holdings	%	No. of Shareholders	Total Holdings	%
Institutions	**86**	**73,445,428**	81.61	62	7,958,839	88.43
Individuals	**2,130**	**16,554,572**	18.39	1,079	1,041,161	11.57
	2,216	**90,000,000**	100.00	1,141	9,000,000	100.00

Market Prices of the Year	31.03.2026	31.03.2025
Highest	184.00	97.50
Lowest	11.20	31.50
Value As At The Year End	13.30	88.00

PUBLIC HOLDING

The Percentage of Shares held by the public as at 31st March 2026 was 33.82% (31st March 2025 was 33.82%).

The applicable option under CSE Rule 7.13.1(i)(a)(1) on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 31.03.2026 was Rs. 404,825,400.00

The Number of Public Shareholders as at 31st March 2026 were 2,209 (31.03.2025 - 1134)

TWENTY MAJOR SHAREHOLDERS

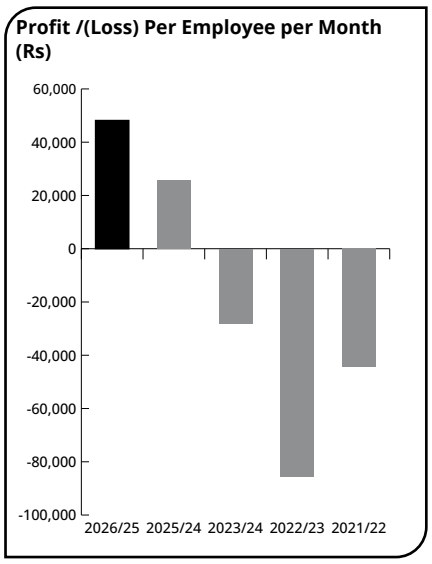
Position	NAME OF THE SHAREHOLDER	31.03.2026		31.03.2025	
		NO. OF SHARES	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1	COLOMBO FORT HOTELS LIMITED	45,902,740	51.00%	4,590,274	51.00%
2	HNB INVESTMENT BANK (PVT) LTD/UNION INVESTMENTS (PVT) LIMITED	11,945,180	13.27%	1,194,518	13.27%
3	PEOPLE S LEASING AND FINANCE PLC/SUHADA GAS DISTRIBUTORS (PVT) LTD	5,855,845	6.51%	1,086,479	12.07%
4	MR. NAWALAGE JOSEPH HIRAN MAHINDA COORAY	1,021,750	1.14%	102,175	1.14%
5	MISS NAWALAGE THERESE MANOURI SHIROMAL COORAY	1,020,620	1.13%	102,062	1.13%
6	J.B. COCOSHELL (PVT) LTD	1,000,000	1.11%	-	-
7	PEOPLE'S LEASING & FINANCE PLC/MR. K.K.SHUJEEVAN	949,750	1.06%	94,975	1.06%
8	NEGOMBO HOTELS LIMITED	913,700	1.02%	91,370	1.02%
9	INVENCO CAPITAL PRIVATE LIMITED	911,902	1.01%	-	-
10	BLUE OCEANIC BEACH HOTEL (PVT) LTD	816,030	0.91%	81,603	0.91%
11	MR. PITIPANA ARACHIGE SENAKA KUMARA	700,000	0.78%	4,093	0.05%
12	E.B. CREASY CEYLON (PRIVATE) LIMITED	621,620	0.69%	62,162	0.69%
13	MERCHANT BANK OF SRI LANKA & FINANCE PLC/G.K.G.L WIJAYATHILAKE	599,990	0.67%	59,999	0.67%
14	CORPORATE HOLDINGS (PRIVATE)LIMITED A/C NO.01	500,000	0.56%	43,400	0.48%
15	MRS. ALALIYAKANKANAMLAGE MARY JOSEPHINE COORAY	496,580	0.55%	49,658	0.55%
16	COLOMBO INVESTMENT TRUST PLC	445,500	0.50%	44,550	0.50%
17	MR. SEMASINGHE NAWARATNA CHANDRASEKARA WANNINAYAKA MUDIYANSELAGE BANDARA CHANDRASEKARA KANDEGEDARA	370,095	0.41%	34,067	0.38%
18	FINANCIAL TRUST LIMITED	360,000	0.40%	36,000	0.40%
19	SENKADAGALA FINANCE PLC/A.K.G.INDIKA	310,000	0.34%	21,000	0.23%
20	MR. MANNAMARAKKALAGE CALLISTUS NIHAL COORAY	276,510	0.31%	27,651	0.31%
		75,017,812	83.35%	7,726,036	85.84%

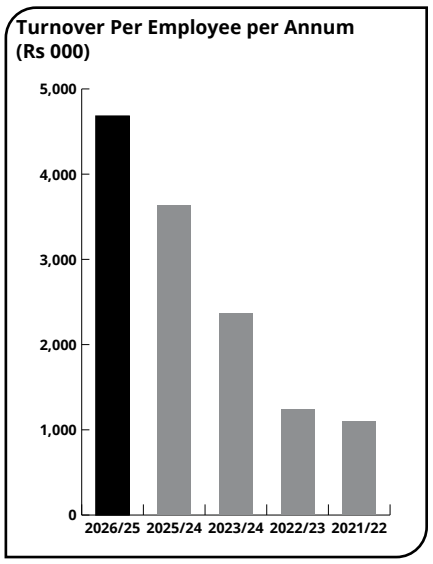
FIVE YEAR SUMMARY

For the year Ended 31st March	2025/26	2024/25	2023/24	2022/23	2021/22
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trading Results					
Turnover	669,322	522,228	302,857	150,003	114,743
Profit/(Loss) Before Taxation	82,623	44,253	(43,135)	(124,212)	(55,836)
Taxation	(39,190)	(13,098)	16,729	32,824	37,461
Profit/(Loss) After Taxation	43,433	31,154	(26,406)	(91,387)	(18,405)
Assets Employed					
Property, Plant & Equipment	513,020	426,256	353,875	369,352	385,803
Investment	192,607	86,791	84,430	80,214	73,842
Net Current Assets / (Liabilities)	51,071	206,186	(10,568)	(7,947)	79,772
Shareholders' Funds					
Stated Capital	363,722	363,722	363,722	363,722	363,722
Reserves	90,848	111,498	77,362	64,301	140,527
Non - Current Liabilities	182,059	164,646	240,274	214,109	190,813
Financial Ratios					
Profitability					
Pre - Tax					
Profit Turnover (%)	12.34	8.47	-14.24	-82.81	-48.66
Pre-Tax Profit					
Shareholders' Funds (%)	11.43	6.09	-10.38	-29.02	-11.07
Post - Tax profit					
Shareholders' Funds (%)	6.00	4.29	(6.35)	(21.35)	(3.65)
Liquidity					
Current Assets : Current Liabilities	1.22	1.70	0.96	0.97	1.73
Dividend Payout (%)	0%	86.7%	0%	0%	0%
Dividends Per Share (Rs.)	0	3.00	0	0	0
Capital Ratio					
Property, Plant & Equipment	0.71	0.59	0.85	0.86	0.77
Shareholders' Funds					
Others					
Earnings / (Loss) Per Share	0.48	3.46	(2.93)	(10)	(2)
Market Value Per Share (Rs.)	13.30	88.00	47.40	55	60
Net Assets Per Share (Rs.)	8.03	80.76	46.19	47.56	56.03

HUMAN RESOURCES

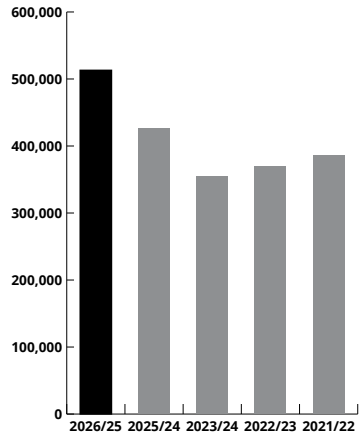
	2025/26	2024/25	2023/24	2022/23	2021/22
Managers	3	2	3	2	1
Executives	14	14	9	10	7
Clerical	9	14	12	22	15
Others	117	114	104	87	82
Total	143	144	128	121	105
Analysis by Age					
Below 30 Years	59	57	52	44	48
Between 30 - 40 years	38	26	23	28	25
Between 40 - 50 years	20	35	35	32	22
Over 50 Years	26	26	18	17	10
Total	143	144	128	121	105
Profit /(Loss) Per Employee per Month (Rs)	48,149	25,609	(28,083)	(85,545)	(44,314)
Turnover Per Employee per Annum (Rs 000)	4,681	3,627	2,366	1,240	1,093



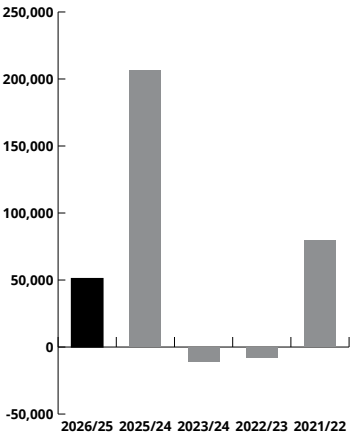


GRAPHICAL REVIEW

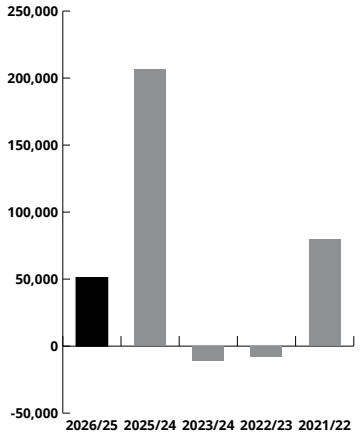
Property, Plant & Equipment (Rs 000)



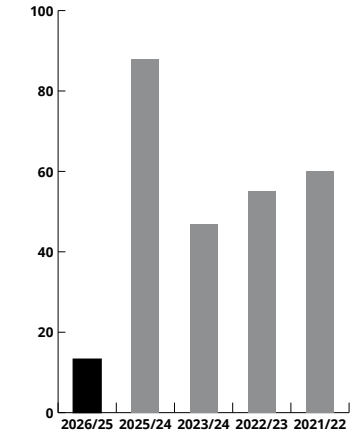
Net Current Assets / (Liabilities) (Rs 000)



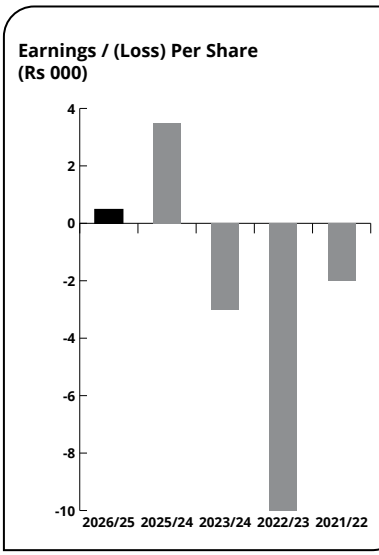
Shareholders' Fund - Reserves (Rs 000)



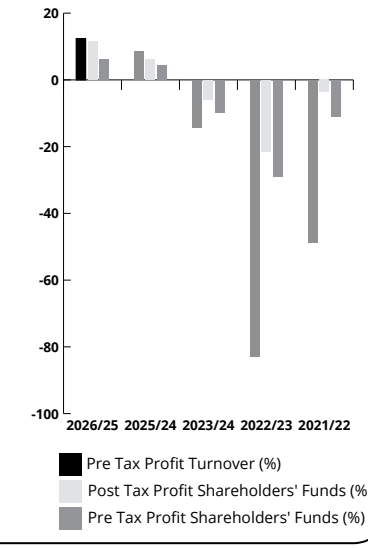
Market Value Per Share (Rs 000)



Earnings / (Loss) Per Share (Rs 000)



Financial Ratios (Rs 000)



NOTES

FORM OF PROXY

I/We the undersigned .....of

..... being a member/members of

SIGIRIYA VILLAGE HOTELS PLC hereby appoint ..... of

..... or failing him

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

as my/our proxy to represent me/us and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 21st August 2026, at 12.00 noon and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

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

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

Instructions as to completion are stated on the reverse hereof.

.....
Signature of Shareholder(s)

Note: Please delete the inappropriate words.

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

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Please perfect the Form of Proxy, after filling in legibly your full name and address by signing in the space provided and filling in the date of signature.
2. In the case of Company/Corporation, this Form of Proxy must be executed either under its Common Seal or by its Attorney or by an Authorised Officer on behalf of such Company/Corporation duly authorised in writing.
3. In the case of a proxy signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not been Registered with the Company.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers and Secretaries (Pvt) Limited 8-5/2 Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.

FORT
RESORTS

CLUB PALM BAY
FORT RESORTS

THE PALMS
FORT RESORTS

SIGIRIYA VILLAGE
FORT RESORTS

info@forthotels.lk | www.fort-resorts.com